

The Influence of Marketing Mix and Customer Satisfaction on Customer Loyalty among Hijab Consumers

Norsyaheera Abd Wahab¹ and Lailatul Faizah Abu Hassan²

¹Centre for Postgraduate and Professional Studies
Faculty of Business and Management, Universiti Teknologi MARA
40450 Shah Alam, Selangor Malaysia
norsyaheeraabdwahab@gmail.com

²Centre for Postgraduate and Professional Studies
Faculty of Business and Management, Universiti Teknologi MARA
40450 Shah Alam, Selangor Malaysia
laila@salam.uitm.edu.my

Abstract

The objective of this study is to examine the relationship between marketing mix and customer loyalty, and the mediating effect of customer satisfaction in the hijab industry. The study focused on female customers who are wearing and buying any hijab product at Shah Alam outlets. Questionnaires adapted from prior studies were distributed and 234 usable questionnaires were collected. It is expected that findings from this study will contribute to the existing literature to both theoretical and managerial approaches in order to better understand the pattern of the marketing mix, customer satisfaction and customer loyalty, especially in hijab industry settings.

Keywords: customer satisfaction, customer loyalty, hijab industry

1. Introduction

The business market is growing rapidly and becoming more competitive as there are many similar products and services delivered in the same market (Aisha, 2013). With the rapid growth of the new entrants in the business market, switching behaviour among customers was high and organizations have to increase efforts in order to retain their customers (Alden, 2012). Demands for scarves or hijabs have been rapidly increasing in the industry; Muslim females have the inclination to buy several brands of hijab in the market to complement their attires (Ahmed, 2012). Therefore, the businesses need to compete with one another in order to stand out from other competitors and to survive in the industry (Aisha, 2013). Thus, knowledge on this topic can help business providers in hijab and the fashion industry to maximize returns, avoid customer's remorse and diversify their products in order to develop customers' satisfaction that influence the customers to continue

doing business and become loyal customers.

2. Literature Review

2.1. Customer Loyalty

Customer's re-purchase behaviour is estimated as a basic requisite for loyalty that is followed by satisfaction (Punniyamoorthy & Raj, 2007; Chang, 2010). Pritchard, Havits, and Howard (1999) claimed that understanding on why customers become loyal is important in business as it will become a development of a strategy for business providers to perform and deliver excellent services and products to customers. By understanding the importance of customer loyalty, an organization can build a commitment in terms of capturing its existing customers to recognize and re-purchase the services or products provided by the organization (Oliver, 1999; McMullan & Gilmore, 2008; Abu Hassan, Wan Jusoh & Hamid, 2013). According to Ibidunnie (2011), every organization needs to measure the degree of its marketing mix strategy that will contribute to customer satisfaction and customer loyalty.

2.2. Marketing Mix

Marketing is a set of steps that deliver value that could be remembered by customers and can create a relationship with customers as well as providing benefits to the organization (Armstrong & Kotler, 2011). Bay, Petrizzi and Gill (2008) confirmed that when organizations apply marketing mix in their business, it

will help to increase sales and profits of their organization, hence, achieving their marketing target. Elements in marketing mix; namely, product, price, place, and promotion (4P's) are the controllable tools that will contribute to customers' satisfaction (Shankar & Chin, 2011, Sable 2013).

2.3. Customer Satisfaction as mediator

Previous studies found that one of the major determinants of customer loyalty is customer satisfaction, indicating that in every business and market, customers need to be satisfied before they can become loyal (Parasuraman, Zeithaml & Berry, 1988; Lin & Wang, 2006). It is important for providers of hijab and the fashion industry to deliver excellent services and products so that they will create good reputation and ensure satisfaction to customers. Therefore, customer satisfaction is justified to be used as the mediating variable that will influence hijab customers to become loyal to an organization as illustrated in Fig. 1.

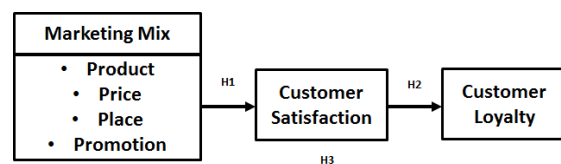


Fig. 1 Research Framework

Based on the review of the related literature, the following research hypotheses are developed:

- H1 – Marketing mix is positively associated with customer satisfaction.
- H2 – Customer satisfaction is positively associated with customer loyalty.
- H3 – Customer satisfaction mediates the relationship between marketing mix and customer loyalty.

3. Research Methodology

This is a correlational study, which answers questions about the relationship among variables (Salkind, 2012, Sekaran & Bougie, 2013). For this study, convenience sampling technique was used in order to obtain data from the respondents. The population at Shah Alam outlets is 600 customers. Thus, based on the Krejcie and Morgan’s table, the sample size required for this study is 234 (Krejcie & Morgan, 1970). The study focused on

female customers who were wearing and buying any hijab product at Shah Alam outlets.

4. Results and Discussion

For the study setting, 250 questionnaires were distributed and 234 usable questionnaires were returned, yielding a response rate of 93.6%. Respondents of this study consisted of female customers who were wearing and buying any hijab product at Shah Alam outlets. From the data collected, the majority of the respondents were in the age group category of 20 to 29 years old (39.3%). Meanwhile, the least age group category was 50 years old and above (8.1%). In addition, most of the respondents were single (51.3%), the majority of them were working (58.5%) and 34.2% of the respondents bought hijabs twice a month.

Table 1: Correlational Analysis among Variables

Variables	Mean	SD	1	2	3	4	5	6
Product	3.9558	.58795						
Price	3.8333	.65385	.349**					
Place	3.9487	.57713	.089	.172**				
Promotion	3.6453	.74856	.190**	.127*	.145**			
Customer Satisfaction	4.1026	.65566	.170**	.177**	.268**	.288**		
Customer Loyalty	4.0615	.62589	.295**	.340**	.178**	.168**	.420**	

Notes: ** Correlation is significant at the 0.01 level (1-tailed).
 * Correlation is significant at the 0.05 level (1-tailed).

Results in Table 1, demonstrated the correlation between marketing mix and customer satisfaction is ($r=0.367$, $p<0.05$), which indicates that there is a positive, moderate and significant relationship between marketing mix and customer satisfaction. The first variable in marketing mix which is product has the correlation value of 0.170 ($p<0.05$), which indicates that there is a positive, small significant relationship between product and customer satisfaction. The second variable is price, with the correlation value of 0.177 ($p<0.05$) also indicates that there is positive small significant relationship between price and customer satisfaction. The third variable of marketing mix that is place has the correlation value of 0.268 ($p<0.05$), which explains that there is positive small significant relationship between place and customer satisfaction. The fourth marketing mix, which is promotion has the correlation value of 0.288 ($p<0.05$), showing that there is positive small significant relationship between promotion and customer satisfaction. Lastly, the results indicated that there is a positive, medium and significant relationship between customer satisfaction and customer loyalty with the correlation value of 0.420 ($p<0.05$). These coefficients show that all variables are associated with one another.

A mediation analysis was conducted using Baron and Kenny's (1986)

approach. In the first step, the effect of the independent variables on the mediator variable was examined. The second step examined the influence of the independent variable on the dependent variable, without the mediator. Finally, the last step was taken to investigate the influence of the combination of the independent variable and the mediator on the dependent variable.

Place and promotion were the significant predictors of customer satisfaction with $\beta=.213$ ($p<0.05$) and $\beta=.231$ ($p<0.05$). However, product and price were not found as significant predictors to customer satisfaction with $\beta=.078$ ($p>0.05$) and $\beta=.083$ ($p>0.05$). Product and price were the significant predictors of customer loyalty with $\beta=.183$ ($p<0.05$) and $\beta=.247$ ($p<0.05$). However, place and promotion were not the significant predictors of customer loyalty with $\beta=.107$ ($p>0.05$) and $\beta=.086$ ($p>0.05$). Customer satisfaction was significant to influence customer loyalty ($\beta=.343$, $p<0.05$).

This finding was supported by Moraga, Parraga and Gonzales (2008) that satisfied customers must be satisfied with the business provided before they become loyal customers. Moreover, Bloemer and Ruyter (1998) mentioned that customer satisfaction has often been studied and confirmed as an antecedent of customer loyalty. The results are demonstrated in Table 2 below.

Table 2: Hierarchical Regression Analysis on Mediating Variable

Variables	Customer	Customer Loyalty	
	Satisfaction	Without Mediator	With Mediator
Product	.078	.183	.156
Price	.083	.247	.219
Place	.213	.107	.034
Promotion	.231	.052	.007
Customer Satisfaction			.343
R	.390	.414	.521
R ²	.152	.172	.272
F	10.249	11.866	17.013
Sig F Value	.000	.000	.000

5. Conclusion

This study aimed to investigate the relationship between marketing mix and customer loyalty in the hijab industry, as well as the mediating effect of customer satisfaction. The study confirmed that customer satisfaction is really important in order to create loyal customers, it is indeed important that marketing mix and its elements can help business providers to know the factors that their customers are looking for when buying hijabs. Therefore, business providers in the hijab industry will know the marketing aspects that they need to focus on in order to attract hijab customers and keep them loyal. This study endeavours to make both theoretical and practical contribution to the literature, and provides several implications for future research. Findings from this study will assist policymakers, marketing practitioners, planners and government, as needed, in developing strategies, rules and procedures, and to improve the

relationship between customer satisfaction and customer loyalty in the services industry.

6. Future Research

More hijab outlets need to be investigated. It is also suggested that other related factors of the marketing mix be included in future research to produce more constructive findings to nourish the measured relationship. In addition, it is suggested to use the interview approach to get in-depth information for the study. It is expected that respondents can freely express their views and experiences verbally using their own words and impressions to answer questions. It is believed that, facial expressions and gestures provide deeper understanding and outcomes of the phenomenon studied.

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