

The effect of Islamic Marketing MIX on Customer Loyalty a Case Study in the Islamic Banking Sector in Alegria

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Abstract

This study examines the effect of Islamic marketing MIX on customer loyalty in the Islamic banking sector in Algeria. A quantitative, cross-sectional survey was conducted with a sample of 52 customers from Islamic banks in Bordj Bou Arreridj province. Regression analysis revealed a significant positive relationship between the Islamic marketing MIX and customer loyalty. However, stepwise regression indicated that only price, place (distribution), and promotion significantly predicted customer loyalty, while product did not. These findings suggest that Algerian Islamic banks should prioritize transparent pricing, convenient distribution, and ethical promotion to enhance customer loyalty. The non-significance of product suggests the need for further research into customer perceptions of Sharia-compliant products.

Keywords: Islamic Marketing, Islamic Marketing MIX, Customer Loyalty, Alegria.

1. Introduction

The global financial landscape has witnessed a significant shift over recent decades, with Islamic finance emerging as a prominent alternative to conventional banking systems (Aysan & Unal, 2024). This growth is not only driven by the rise in Muslim populations worldwide but also by an increasing interest from non-Muslim individuals and institutions seeking ethically grounded and socially responsible financial options (El-gamal, 2006). At the heart of this system lies the Islamic banking sector, which, while fundamentally adhering to Sharia principles, operates in a competitive market demanding sophisticated marketing strategies to attract and retain customers. The success of Islamic banks is not solely dependent on their theological compliance but also on how effectively they communicate their unique value propositions and meet the diverse needs of their clientele (Dusuki & Abdullah, 2007).

In Algeria, as in many Muslim-majority countries, Islamic banking has seen substantial growth, fueled by a combination of religious adherence and a desire for fair and transparent financial practices. However, this growth also brings unique challenges. Islamic banks in Algeria not only compete with conventional banks but also among themselves, requiring them to innovate in their marketing efforts and optimize their approaches to customer engagement. This competition underscores the crucial role that marketing mix variables—product, price, place, and promotion—play in the sector's overall performance. Traditional marketing models must be adapted to align with Sharia principles and the values of their target customers, necessitating an “Islamic marketing mix” (Sandikci, 2011).

The Islamic marketing concept encompasses not just the technical aspects of marketing, such as the 4Ps, but also ethical considerations rooted in Islamic values of fairness, honesty, and social responsibility. These values influence the perception of the value of products offered by Islamic banking by customers, impacting both the products, prices, and promotional approach. The customer base for Islamic banking may be broadly divided into customers who primarily use

it because of their faith, and those who are just looking for better products. Therefore, Islamic banks must strive to satisfy the expectations of the diversity of the customer segment. This makes the Islamic marketing mix even more important in this sector.

This research aims to examine the influence of the Islamic marketing mix—specifically, the product offerings, pricing strategies, distribution channels, and promotional activities—on customer loyalty in the Algerian Islamic banking sector. Customer loyalty is a significant determinant of long-term financial stability and profitability for any bank, but it is even more so for Islamic banks due to the particular nature of the relationship with their customers, often based on more than purely transactional considerations. Understanding the dynamics between the marketing mix and customer loyalty is vital for Islamic banks in Algeria to achieve sustainable growth, attract new customers, and maintain a competitive edge.

While existing literature extensively covers aspects of Islamic banking and marketing separately, there is a gap in research examining the integrated effect of the Islamic marketing mix on customer loyalty within the Algerian context. This research aims to fill this gap by investigating how Algerian Islamic banks use the 4Ps in a Sharia-compliant manner and their impact on customer satisfaction and loyalty. The findings of this study are expected to provide valuable insights for practitioners in the Algerian Islamic banking sector, offering practical guidance on how to refine their marketing strategies to foster customer loyalty. Moreover, the research will contribute to the existing academic literature by further understanding the practical implication of Islamic Marketing principles in real-world situations.

2. Literature review

2.1. Islamic marketing

Islamic marketing is a relatively new but rapidly evolving field of study that combines conventional marketing principles with Islamic ethical guidelines and values (Sandikci, 2011). It's distinct from traditional marketing in that it seeks to appeal not only to consumers' rational desires and needs but also to their faith, morality, and social conscience (Wilson, 2012). Islamic marketing is not just about selling products or services to Muslims; rather, it's about offering goods and services that comply with Sharia and provide social and ethical benefits to the community, regardless of the consumer's religion (Syakir et al., 2023). The concept emphasizes honesty, fairness, transparency, and avoids any dealings or activities that are considered unethical, forbidden (haram) or doubtful (shubhah) according to the Islamic law.

The concept of Islamic marketing transcends the traditional marketing mix by integrating Islamic values and principles into every facet of business operations. In Islamic banking, this integration manifests in a unique approach that not only aims to fulfill customers' financial needs but also aligns with the ethical and moral guidelines stipulated by Sharia (Aravik et al., 2024). Understanding the specific characteristics of Islamic marketing, particularly as they are implemented in the banking context, is crucial to understanding its influence on customer loyalty.

Islamic marketing is deeply rooted in ethical and moral considerations derived from the Quran and Sunnah, the teachings and practices of Prophet Muhammad (PBUH) (Riaz, 2016). These considerations form the core values that underpin all marketing activities within Islamic banking. Key amongst these are:

- **Siddiq (Truthfulness):** Honesty and transparency in all interactions are paramount (Vivekananda & Meenakshi, 2024). This principle necessitates that Islamic banks must provide accurate information about their products and services, avoid deceptive practices, and build trust with customers (Aravik et al., 2024).
- **Fathanah (Intelligence):** The application of knowledge, wisdom, and creative thinking to deliver innovative and effective marketing strategies. Islamic bank marketers should be well-informed about their products and services, able to address customer inquiries thoroughly and possess the ability to develop beneficial ideas for the organization (Aravik et al., 2024).
- **Amanah (Trustworthiness):** This refers to integrity, reliability, and responsibility in all actions. Islamic banking should demonstrate credibility and the ability to fulfill commitments to customers (Aravik et al., 2024). This principle builds confidence in the institution, fostering long-term customer relationships.
- **Tabligh (Communication):** Effective and transparent communication is essential. Islamic bank marketing must communicate the features, benefits, and limitations of its products honestly (Aravik et al., 2024). Furthermore, ethical dialogue and openness are necessary to establish credibility and customer engagement (Hassan et al., 2008).

These core values are not merely ethical ideals but constitute the very foundation upon which trust and loyalty in Islamic banking are built (Sahara & Setiawan, 2022). The absence of these values can significantly undermine the credibility of an Islamic bank and impact customer loyalty negatively (Hassan et al., 2008).

The traditional marketing mix of product, price, place, and promotion is adapted and transformed within the Islamic framework, which ensures alignment with Islamic principles. Islamic Marketing Mix in Islamic Banking are:

- **Product:**

In Islamic banking, products are derived from Sharia-compliant contracts such as Murabaha, Mudarabah, Musharakah, Ijarah, Istisna'a, and Bai Salam. These products are not just financial tools but embody a commitment to ethical finance. Therefore, product development must incorporate moral and transcendental elements that ensure it is lawful, asset-backed, deliverable, transparent, and adheres to the principles of justice and fairness (Hassan et al., 2008). Banks must also ensure product quality by providing products that are reliable, responsive, assured, empathetic, and tangible. Furthermore, it should be noted that product development has the societal welfare as a key aim and it is not purely based on profit maximization (Hassan et al., 2008).

- **Price:**

Pricing in Islamic banking is rooted in fairness and equity. It often involves profit-sharing arrangements (Hasan, 2010) and service charges (Ujrah), which do not result in a predetermined fixed amount but rather are influenced by the performance of the bank (Aravik et al., 2022). The practices of price manipulation, hoarding, and false advertising are prohibited (Hassan et al., 2008). Rather, healthy competition and transparency in pricing are encouraged (al-Qur'an, 83:26). In addition, it is important for the pricing to be consistent to avoid cheating customers. Unjustified pricing is not only unethical but a sin, according to Islamic principles (Hassan et al., 2008).

- **Advertisement (Promotion):**

Promotion in Islamic banking focuses on educating customers about the benefits of Sharia-compliant products and services while upholding Islamic values (Aravik et al., 2024). Promotional strategies must be truthful, avoiding deceptive claims, high-pressure tactics, and any form of manipulation. The message must avoid any content that may be deemed haram or could be deemed sexually appealing. In addition, the promotion must be in the form of transparency to the consumers and not based on false testimonies or pseudo-research appeals (Hassan et al., 2008). The emphasis should be on the quality of the product, the value it provides, and the Islamic principles it embodies. Promotional practices must follow the principle that one who cheats is not one of us.

- **Distribution (Place):**

Islamic banks need to establish physical locations or digital access points that are easily accessible to customers (Aravik et al., 2022). Ethical considerations in distribution involve ensuring that the location is convenient, safe, and customer-friendly (Zahrah et al., 2016). The distribution network should not create a burden for the customer in terms of delays or high costs (Hassan et al., 2008). It must be noted that the distribution must uplift the standards of living by providing ethically satisfactory services (Hassan et al., 2008). The underlying aim is to facilitate the customer's access to the bank's products and services while ensuring an ethical interaction.

2.2. Customer loyalty

Customer loyalty is a critical factor for the long-term success and sustainability of any business, and this is especially true in the highly competitive banking industry. In the banking sector, loyal customers contribute significantly to a bank's profitability through repeat business, positive word-of-mouth referrals, and increased engagement with various services (Kotler, 2000). Understanding the factors that drive customer loyalty in this specific context is vital for any bank striving to maintain a competitive edge in the financial market.

Customer loyalty, at its core, is a deep commitment from a customer to consistently purchase a company's products or services in the future despite any potential changes in market conditions or the offerings of competitors (Rane et al., 2023). It is more than just repeat purchases; it is an emotional attachment to the brand. This loyalty is built through consistent positive experiences, the feeling that the company is aligned with the customer's values, and a belief that the company is genuinely invested in their needs (Chesnokova et al., 2014).

While repeat purchases are often the most easily observed manifestation of loyalty, the concept of customer loyalty in banking encompasses several dimensions. These include:

- **Behavioral Loyalty:** This dimension refers to observable behaviors such as repeat purchases, increased transaction volume, and continued use of the bank's services over time. A high degree of behavioral loyalty indicates a strong preference for the bank over competitors (Kim et al., 2024).
- **Attitudinal Loyalty:** This dimension goes beyond simple repetition to encompass positive feelings, beliefs, and attitudes toward the bank (Kotler, 2000). It reflects the extent to which a customer feels an emotional connection to the brand and is willing to recommend it to others (Mondir et al., 2023).
- **Referral Behavior:** Loyal customers often act as brand advocates, actively recommending the bank to friends, family, and colleagues. This word-of-mouth marketing can significantly impact the bank's growth and reputation (Mondir et al., 2023).
- **Share of Wallet:** Loyal customers tend to consolidate their financial dealings within the bank, using a wide range of services. This indicator reflects the customer's trust and commitment to the bank as a primary financial provider (Kotler & Keller, 2007).

Several factors contribute to shaping customer loyalty in the banking industry, these may include:

- **Product Quality and Innovation:** Customers expect high-quality, innovative financial products and services that meet their evolving needs. The availability of Sharia-compliant products is also a key factor for customers in the Islamic banking context (Aravik et al., 2022).
- **Service Quality:** Consistent and reliable service is paramount. This includes knowledgeable staff, responsive customer support, and seamless transaction processes. The customer experience provided by the salesperson will influence loyalty (Nasuka et al., 2023).
- **Trust and Reliability:** Customers must have complete trust in the bank's integrity, security, and reliability. This is particularly crucial in the banking industry, where customers entrust banks with their financial assets.
- **Customer Satisfaction:** Satisfied customers are more likely to become loyal customers. This satisfaction arises from consistently receiving positive experiences with the bank's products, services, and staff.
- **Brand Image and Reputation:** A strong positive brand image that reflects the bank's values and commitment to customer wellbeing can be a powerful driver of customer loyalty.
- **Relationship Marketing:** Building personal and meaningful relationships with customers through ongoing communication, personalized services, and a genuine commitment to their individual needs is an effective loyalty-building strategy.

Building customer loyalty is a continuous process that involves a combination of strategic and tactical measures. Based on Kotler & Keller (2007), this includes: (Mondir et al., 2023)

- **Strengthening Brands:** Building strong and positive brands that resonate with customers by making an emotional bond with them.
- **Repair Service:** Providing great customer service and resolving issues efficiently and effectively.
- **Improving Product Quality:** Offering quality products that meet the needs of customers and reduces risks of failure.
- **Utilizing Customer Feedback:** Using customer feedback to improve service offerings and address any shortcomings.
- **Implementing Loyalty Programs:** Offering rewards, discounts, and personalized benefits to incentivize customers to remain loyal.

2.3. The Relationship between Islamic marketing and Customer loyalty

Prior studies have supported the positive relationship between Islamic marketing MIX and customer loyalty. For instance, Setyono et al., (2015) found a significant positive impact of Islamic marketing on customer satisfaction and loyalty in Bank Muamalat, Indonesia. Additionally, Moosa & Kashiramka, (2023) study in South Africa showed that alignment with the objectives of Islamic banking influences both customer satisfaction and customer loyalty among South African Muslim customers. Omar & Ali (2010) show that relationship marketing from the employees has an influence on brand loyalty. Furthermore, Nasuka et al., (2023) found that ethical marketing has an influence on customer loyalty and customer satisfaction has an impact on loyalty. Firdaus (2024) highlighted the importance of ethical conduct, education, personalization, and digital transformation through marketing on customer loyalty in Islamic banks.

These studies and others further emphasize the importance of integrating Islamic values and ethical considerations into marketing strategies and suggest that Islamic banks need to prioritize the customer's needs as well as meet the ethical requirements of Islamic principles. It should also be noted that relationship marketing has an impact on loyalty.

The link between Islamic marketing practices and customer loyalty is a crucial consideration for Islamic banks seeking to build lasting relationships with their customers. Unlike conventional marketing approaches that are often driven by profit maximization, Islamic marketing prioritizes ethical and moral considerations, which can profoundly impact customer perceptions and behaviors. In the Islamic banking context, understanding how these unique marketing practices translate into customer loyalty is essential for long-term success (Hassan et al., 2008).

The ethical foundation of Islamic marketing, characterized by Siddiq (truthfulness), Fathanah (intelligence), Amanah (trustworthiness), and Tabligh (communication), plays a crucial role in building trust and fostering customer loyalty. When customers perceive a bank to be honest, fair, and transparent, they develop a sense of security and confidence in the institution (Aravik et al., 2022). This perception of ethical behavior can be a key differentiator for Islamic banks, setting them apart from conventional banks where such emphasis might not be as explicitly pronounced (Firdaus, 2024). The emphasis on truthfulness, transparency, and ethical conduct also means that Islamic banks build strong ethical business-customer relationships (Nasuka et al., 2023).

The four key elements of the Islamic marketing mix—product, price, promotion, and place—also significantly influence customer loyalty.

- **Product:** When Islamic banks offer products that are not only Sharia-compliant but also high-quality and innovative, it increases customer satisfaction. When these products meet customer needs in a way that aligns with Islamic values, it reinforces their loyalty (Aravik et al., 2022). This can be seen when considering the demand for Sharia compliant products and services (Firdaus, 2024).
- **Price:** Fair and transparent pricing, based on profit-sharing arrangements and avoiding exploitation of customer, builds trust and reinforces loyalty (Aravik et al., 2022). When customers feel that they are not being taken advantage of, but rather are part of a mutually beneficial relationship, they are more likely to stay loyal (Hassan et al., 2008).
- **Promotion:** Truthful and ethical promotional messages enhance the credibility of the bank, fostering a strong bond with customers (Aravik et al., 2022). When the bank avoids deceptive advertising, it builds trust and increases customer loyalty (Hassan et al., 2008).
- **Place:** Conveniently accessible locations and digital platforms that are designed with the customer's convenience in mind are also a critical aspect of customer loyalty (Aravik et al., 2022). The ease of accessing services coupled with positive interactions with staff at branches helps to build positive relationships and strengthen customer loyalty.

Building upon this theoretical foundation and the consistent empirical evidence, the following hypothesis is proposed:

Hypothesis H1 : Islamic marketing MIX have a significant effect on customer loyalty

3. Method

This study employed a quantitative research design to examine the relationship between Islamic marketing MIX and customer loyalty among customers of Islamic banks in Algeria. A cross-sectional survey approach was adopted, utilizing a structured questionnaire as the primary instrument for data collection.

The target population consisted of all customers of Islamic banks located in the Bordj Bou Arreridj province of Algeria. To ensure representativeness and minimize selection bias, a simple random sampling technique was employed, affording each customer an equal probability of selection. While the initial target sample size was 150 customers, data screening procedures resulted in a final sample of 52 usable questionnaires for subsequent analysis. This reduction in sample size should be considered when interpreting the generalizability of the findings.

The structured questionnaire comprised three sections. The first section collected demographic information from respondents. The second section assessed Islamic marketing MIX, specifically focusing on the elements of product, price, promotion, and place. The third section measured the level of customer loyalty. All items within the Islamic marketing practices and customer loyalty sections were measured using a five-point Likert scale, anchored by "strongly disagree" (1) and "strongly agree" (5). Statistical analysis was performed using Stata.

4. Result:

4.1. Reliability

Prior to conducting further statistical analyses, the reliability of the scales used to measure Islamic marketing MIX and customer loyalty was assessed using Cronbach's alpha. As shown in Table 1, the Cronbach's alpha values for Islamic marketing MIX ($\alpha = 0.920$) and customer loyalty ($\alpha = 0.946$) indicate acceptable levels of internal consistency for both scales.

Table 1. Reliability test results

Variables	Alpha Cronbach
Islamic marketing MIX	0.920
customer loyalty	0.946

Source: output of stata program

4.2. Demographic characteristics:

The under table shows the demographic characteristics of respondents

Table 2. demographic characteristics

Variable	Value label	Frequency	Percent (%)
Gender	Male	29	55.8
	Female	23	44.2
AGE	Less than 30 years	20	38.5
	[30-40[years	10	19.2
	[40-50[years	13	25
	50 years & above	9	17.3

Source: output of stata program

The analysis results to demographic variables shows that 29 respondents were male which represent 55.8% and 23 respondents were female which represent 44.2%. Moreover, the distributions of results indicated that 20 respondents live less than 30 years representing 38.5%, then the respondents live by [30 to 40[years representing 19.2%, then between [40 and 50[years representing 25%, and least is 50 years or above representing 17.3%.

4.3. Descriptive analysis

Table (3) shows the descriptive measures for Islamic marketing MIX in Islamic bank and customer loyalty. Islamic marketing MIX's mean reached a value of 3.4544 and the means of its dimension's ranged between (3.2625-3.5686) with standards deviations ranging from 0.72410 to 0.87436, this results indicate the high level of adherence to Islamic

marketing MIX in Islamic banks in Algeria. While the mean of customer loyalty is 3.4867 with standard deviation 0.81814, which has a high acceptance level.

Table 3. Mean and Standard Deviation for Islamic marketing MIX, and customer loyalty

Variables	Mean	Std deviation
Product	3.2625	0.87436
Price	3.4352	0.72410
Place	3.5686	0.83844
Promotion	3.55	0.72464
Islamic marketing MIX	3.4544	0.69387
Customer loyalty	3.4867	0.81814

Source: output of stata program

4.3 Test of hypothesis

The simple linear regression analysis is used to determine whether Islamic marketing MIX affect customer loyalty and whether a relationship exists if $\text{sig} \leq 0.05$. The results show in the following table:

Table 4. simple linear regression of Islamic marketing mix with customer loyalty

Source	SS	df	MS	Number of obs	=	41
Model	21.1045812	1	21.1045812	F(1, 39)	=	123.67
Residual	6.6555413	39	.170654905	Prob > F	=	0.0000
Total	27.7601225	40	.694003062	R-squared	=	0.7602
				Adj R-squared	=	0.7541
				Root MSE	=	.4131

y	Coefficient	Std. err.	t	P> t	[95% conf. interval]
x	1.038054	.093345	11.12	0.000	.8492457 1.226862
_cons	-.0681156	.3260953	-0.21	0.836	-.7277056 .5914744

Source: output of stata program

From the result in table 4, it was examined that Islamic marketing MIX have a strong and positive relationship with customer loyalty. Furthermore, this relation is interpreted by R2, which indicated that 76.02% of the variation in customer loyalty is explained by the variation in Islamic marketing MIX, and 23.98% of the variance is explained by other factors.

According to results of table 4, t value ($t=11.12$, $\text{sig}<0.05$) and F value ($F=123.67$, $\text{sig}<0.05$) show significant impact between Islamic marketing MIX and customer loyalty. The coefficient of Islamic marketing Mix (+1.038054) represents the effect of Islamic marketing Mix on customer loyalty. This result support that Islamic marketing MIX have a positive impact on customer loyalty.

By referring to the formulated hypotheses of the study stepwise regression analysis applied to specify the statistical relationship between Islamic marketing MIX dimensions (product, price, place, promotion) and customer loyalty (dependent variable). It supposed that the changes in innovation could be explained in reference to the changes in Islamic work ethics dimensions. Stepwise regression method has been chosen as it is a combined method using both forward and backward elimination procedures, and it is the appropriate method to determine important factors affecting the innovation. The results are shown in table (5).

Table 5. stepwise regression of Islamic marketing MIX dimensions with customer loyalty

Source	SS	df	MS	Number of obs	=	41
Model	23.7877506	4	5.94693765	F(4, 36)	=	53.89
Residual	3.97237185	36	.110343663	Prob > F	=	0.0000
Total	27.7601225	40	.694003062	R-squared	=	0.8569
				Adj R-squared	=	0.8410
				Root MSE	=	.33218

y	Coefficient	Std. err.	t	P> t	[95% conf. interval]
x1	-.175412	.0955252	-1.84	0.075	-.369146 .0183221
x2	.4028143	.0994907	4.05	0.000	.2010377 .6045908
x3	.5435188	.1045171	5.20	0.000	.3315483 .7554894
x4	.2940015	.1238692	2.37	0.023	.0427832 .5452198
_cons	-.2704201	.2773213	-0.98	0.336	-.8328537 .2920136

Source: output of stata program

Based on stepwise regression method, the final model shows that only three dimensions of Islamic marketing MIX are significantly associated to customer loyalty: price, place, promotion.

The coefficients of price, place and promotion are (+0.4028243), (+0.5435188) and (+0.2940015), this represents the partial effect of price, place and promotion on customer loyalty.

According to results of table (5) the relationship between Islamic marketing MIX dimensions (price, place and promotion) and customer loyalty are strong and positive. R2 interprets this relation, which indicates that 0.8569 % of the variation customer loyalty explained by the variation in price, place and promotion.

Additionally, according to the weights of standardized coefficients beta shown in table (5), place with coefficient value of ($\beta=0.5435188$) is the most important factor affecting customer loyalty, then price with coefficient value of ($\beta=0.4028243$), then promotion with coefficient value of ($\beta=0.2940015$), these results indicate the fact that customer loyalty is partially dependent on three variables. Table (5) confirms that the value of F is 53.89 and proves that this study is significant.

Based on the result there is a significant impact of price, place and promotion on customer loyalty; however, there is no significant impact of product on customer loyalty.

5. Discussion

This study investigated the effect of Islamic marketing practices, specifically the Islamic marketing MIX (product, price, place, and promotion), on customer loyalty within the Islamic banking sector in Algeria, using a case study approach in Bordj Bou Arreridj province. The findings provide insights into the factors that contribute to customer loyalty in this specific context and offer implications for Islamic banks operating in similar environments.

The results indicate a significant positive relationship between Islamic marketing MIX and customer loyalty in Islamic banks in Algeria. This finding aligns with previous research, such as Setyono et al., (2015), which found a positive impact of Islamic marketing on customer satisfaction and loyalty in the Indonesian banking sector. It also resonates with Moosa & Kashiramka(2023) study in South Africa, highlighting the importance of aligning with Islamic banking objectives to foster customer loyalty among Muslim customers.

However, the stepwise regression analysis revealed a more nuanced picture. While the overall Islamic marketing MIX had a significant effect on customer loyalty, only three dimensions – price, place (distribution), and promotion – emerged as significant predictors in the final model. Product, surprisingly, did not demonstrate a significant independent effect on customer loyalty in this study. This warrants further examination.

The significant impact of price aligns with the Islamic principle of fairness and equity in transactions. In Islamic banking, pricing is often rooted in profit-sharing arrangements and transparent service charges, which avoids predetermined fixed amounts(Aravik et al., 2022; Hasan, 2010). The prohibition of price manipulation and false advertising (Hassan et al.,

2008) likely contributes to building trust and fostering customer loyalty. This finding suggests that Algerian Islamic banks should prioritize transparent and equitable pricing strategies to reinforce customer loyalty.

The significant role of place (distribution) underscores the importance of accessibility and convenience for customers. Islamic banks need to establish physical locations or digital access points that are easily accessible to customers (Aravik et al., 2022). Ethical considerations in distribution involve ensuring that the location is convenient, safe, and customer-friendly (Zahrah et al., 2016). This finding suggests that Algerian Islamic banks should invest in optimizing their distribution channels, both physical and digital, to enhance customer experience and foster loyalty.

The significant impact of promotion highlights the importance of communicating the benefits of Sharia-compliant products and services in a truthful and ethical manner. Promotional strategies must avoid deceptive claims, high-pressure tactics, and any form of manipulation (Aravik et al., 2024; Hassan et al., 2008). This finding suggests that Algerian Islamic banks should focus on transparent and ethical promotional campaigns that emphasize the quality of their products, the value they provide, and the Islamic principles they embody.

The non-significant effect of "product" on customer loyalty is a notable finding that contradicts some existing literature. While Sharia compliance is a fundamental aspect of Islamic banking, this result suggests that customers in Bordj Bou Arreridj may perceive all Islamic banking products as inherently Sharia-compliant, thus diminishing its differentiating impact on loyalty. It could also be that product differentiation among Islamic banks is limited, leading customers to focus on other factors such as price, accessibility, and communication. Another explanation could be that the perceived quality, innovation, and variety of available Sharia-compliant products are not meeting customer expectations, irrespective of their Sharia compliance. This aligns with recent findings by Firdaus(2024) showing that meeting Sharia compliant products is not sufficient but must also meet customer needs and satisfaction

This study is subject to several limitations that should be considered when interpreting the results. First, the relatively small sample size of 52 respondents limits the statistical power of the analysis and the generalizability of the findings to the entire Algerian Islamic banking sector. Future research should aim to collect data from a larger and more diverse sample to enhance the representativeness of the results.

Second, the study focused solely on customers of Islamic banks in Bordj Bou Arreridj province, potentially limiting the external validity of the findings. Future research should expand the scope of the study to include customers from other regions of Algeria and to compare the results across different demographic groups.

6. Conclusion

This study provides valuable insights into the influence of Islamic marketing practices on customer loyalty within the Algerian Islamic banking sector. The findings confirm the importance of integrating Islamic values and ethical considerations into marketing strategies to foster customer loyalty. The support for the main hypothesis, linking Islamic marketing MIX to customer loyalty, reinforces the idea that adherence to Islamic principles in marketing can contribute to building strong and lasting customer relationships.

However, the nuanced results from the stepwise regression analysis highlight the importance of focusing on specific dimensions of the Islamic marketing MIX. While "product" did not emerge as a significant independent predictor of customer loyalty, "price," "place," and "promotion" did. This suggests that Algerian Islamic banks should prioritize transparent and equitable pricing strategies, optimize their distribution channels, and focus on truthful and ethical promotional campaigns to enhance customer experience and foster loyalty. The non-significance of product could signal that the perception of Sharia-compliant products is not uniquely driving loyalty and calls for deeper investigation.

These findings have practical implications for practitioners in the Algerian Islamic banking sector. Islamic banks should strive to:

- Ensure fair and transparent pricing: Clearly communicate pricing structures and avoid any practices that could be perceived as exploitative.
- Optimize distribution channels: Provide convenient access to services through both physical branches and digital platforms.

- Promote ethically and truthfully: Communicate the benefits of Sharia-compliant products and services in a transparent and honest manner, avoiding deceptive claims.

- Re-evaluate Product Strategies: Islamic Banks must assess and reassess the existing product offerings to determine whether the products do meet the customer needs and do offer a variety.

Despite its limitations, this study contributes to the existing academic literature by providing empirical evidence on the impact of Islamic marketing practices on customer loyalty in the Algerian context. It also highlights the need for further research to explore the complex interplay between Islamic marketing MIX and customer loyalty, considering the potential moderating and mediating effects of other variables. Future studies could also benefit from qualitative approaches to gain a deeper understanding of customer perceptions and motivations within the Islamic banking sector. By addressing these research gaps, we can further enhance our understanding of how Islamic banks can effectively build and maintain strong relationships with their customers.

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