

## OPTIMIZATION OF SHARIAH-BASED DIGITAL MARKETING STRATEGY TO INCREASE SMARTFREN BRAND LOYALTY THROUGH CUSTOMER ENGAGEMENT ACCORDING TO ISLAMIC ECONOMIC CONCEPT

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### Abstract

*This study aims to optimize sharia-based digital marketing strategies to enhance Smartfren's brand loyalty through customer engagement in line with Islamic economics. The research highlights the low integration of sharia principles, especially moderation (al-wasathiyah) and justice (al-haq wa al-adl), in digital marketing among Indonesian telecommunication operators. A quantitative method with a survey approach was used, collecting data from 200 Smartfren customers in Greater Jakarta, 30 interviews, social media observation, and company reports. Data analysis was conducted with descriptive and inferential statistics using Pearson correlation. The results show moderate optimization (mean 3.51) in sharia-based digital marketing and moderate customer engagement (3.29), with high brand loyalty (3.75). Significant positive correlations were found between sharia marketing, customer engagement, and brand loyalty. The study concludes that optimizing sharia-based strategies can improve brand loyalty, but improvements are needed in moderating promotional notifications and increasing responsiveness on social media.*

**Keywords:** Sharia Digital Marketing, Customer Engagement, Brand Loyalty, Islamic Economics, Smartfren, Maqashid Sharia.

### Abstrak

Penelitian ini bertujuan untuk mengoptimalkan strategi pemasaran digital berbasis syariah untuk meningkatkan loyalitas merek Smartfren melalui customer engagement sejalan dengan ekonomi syariah. Penelitian ini menyoroti rendahnya integrasi prinsip syariah, khususnya moderasi (al-wasathiyah) dan keadilan (al-haq wa al-adl), dalam pemasaran digital di antara operator telekomunikasi Indonesia. Metode kuantitatif dengan pendekatan survei digunakan, mengumpulkan data dari 200 pelanggan Smartfren di Jabodetabek, 30 wawancara, observasi media sosial, dan laporan perusahaan. Analisis data dilakukan dengan statistik deskriptif dan inferensial menggunakan korelasi Pearson. Hasil penelitian menunjukkan optimalisasi moderat (rata-rata 3,51) dalam pemasaran digital berbasis syariah dan keterlibatan pelanggan moderat (3,29), dengan loyalitas merek yang tinggi (3,75). Korelasi positif yang signifikan ditemukan antara pemasaran syariah, keterlibatan pelanggan, dan loyalitas merek. Studi ini menyimpulkan bahwa mengoptimalkan strategi berbasis syariah dapat meningkatkan loyalitas merek, namun diperlukan perbaikan dalam memoderasi notifikasi promosi dan meningkatkan responsivitas di media sosial.

**Kata Kunci:** Santripreneurship, Kepemimpinan Transformatif, Stimulasi Intelektual, Pendidikan Pesantren, Inovasi

## INTRODUCTION

In today's fast-paced digital era, almost no business sector is immune to the influence of information technology, including Indonesia's mobile telecommunications industry. Every day, millions of Indonesians connect to the internet via their smartphones, sending messages, watching videos, working, and shopping online. Amidst this connectivity frenzy, mobile operators like Smartfren strive to become more than just a service provider, but also an integral part of their consumers' lifestyles. However, becoming the top choice in customers' minds is no easy feat. Smartfren must compete with big names like Telkomsel, Indosat, and XL, which already have a strong customer base. In this highly competitive landscape, brand loyalty is the most powerful weapon. A loyal customer not only continues to subscribe, but also willingly recommends Smartfren to friends and family, and stays with them despite attractive offers from competitors. To achieve this level of loyalty, companies cannot simply rely on low prices or intense advertising. A deeper strategy is needed, one that makes customers feel emotionally involved, valued, and understood. This is where the concept of customer engagement plays a very important role, because through various digital channels such as social media, applications, and messaging services, customers can interact directly with brands and build strong emotional bonds.

From this emerged the idea that Smartfren needed to optimize its digital marketing strategy based on sharia principles. Optimization here does not mean simply replacing the word discount with price reduction or displaying Arabic calligraphy in advertisements, but rather a systemic effort to redesign all digital marketing activities from content planning, promotional mechanisms, communication methods on social media, to the reward system for loyal customers, so that everything is in accordance with Islamic ethics and law. Sharia-based digital marketing, according to experts such as <sup>1</sup>, has very distinctive characteristics, namely rabbaniyyah (that every marketing activity is a form of worship and must always remember Allah), akhlaqiyyah (that ethics are prioritized over short-term profit), al-wasathiyyah (that marketing must be moderate, not excessive, and not stingy), and al-haq wa al-adl (that truth and justice must be upheld in every transaction). In the digital context, these characteristics can be realized in very concrete forms. For example, when Smartfren creates promotional content on Instagram or TikTok, it must ensure that all claims about network speed, quota, and active period are true and not exaggerated. When Smartfren launches a digital loyalty program, it must clearly and transparently explain how to collect points, how much they are exchanged for, and when they expire, without any hidden conditions that could be detrimental. When Smartfren sends promotional notifications to customers' phones, it must not do so continuously in the middle of the night or with a frequency that is annoying because this is a form of israf (wasting time and attention), which is prohibited in Islam. In this way, customers will feel that Smartfren treats them with respect, honesty, and fairness.

Meanwhile, to understand how brand loyalty is formed, researchers <sup>2</sup>have put forward a fairly well-known theory. According to Lestari, loyalty grows gradually within a consumer, starting with cognitive loyalty, when consumers logically believe that a particular brand is superior to others. This stage is usually based on information and rational comparisons. Then, if positive experiences continue, consumers will enter the affective loyalty stage, where they begin to feel like and comfortable with the brand, no longer solely based on profit-loss calculations. After that, if the emotional bond becomes stronger, consumers will develop conative loyalty, which is a very strong intention to continue purchasing and using the brand in the future, despite temptations

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<sup>1</sup> Philip Kotler, Hermawan Kartajaya, and Iwan Setiawan, "Marketing 3.0 Kotler Ch 3 Strategy," *Marketing 3.0*, 2010, 49–68, <https://doi.org/10.1002/9781118257883.ch3>.

<sup>2</sup> Vika Lestari, Humam Santosa Utomo, and Didik Indarwanta, "The Effect of Electronic Service Quality and Price on Customer Satisfaction and Its Impact on Generation Z Customer Loyalty," 2020, 71–89.

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from competitors. And finally, if all stages go well, consumers will achieve action loyalty, where buying behavior has become habitual and difficult to change. In the context of Smartfren, cognitive loyalty can be built by providing honest technical information about network speed and coverage area. Affective loyalty can be built by creating warm and responsive interactions on social media. Conative loyalty can be strengthened with a fair and transparent loyalty program. And loyalty actions will be realized when customers automatically choose Smartfren every time they buy a data package or top up their credit.

However, these four stages of loyalty will not occur automatically without active customer engagement. The customer engagement theory developed by <sup>3</sup>explains that customer engagement is a psychological state that arises when someone interacts repeatedly and meaningfully with a brand, especially through digital platforms. This engagement has three main dimensions. The first dimension is affect, which is positive feelings such as happiness, pride, or calm when interacting with the brand. The second dimension is cognition, which is a high level of attention and concentration on the content created by the brand. The third dimension is activation, which is actual behavior such as liking, commenting, sharing, or even defending the brand when others criticize it. In the context of Sharia-based digital marketing, customer engagement will grow naturally because customers perceive Smartfren as a trustworthy brand. For example, when Smartfren regularly holds live Q&A sessions on Instagram with competent and honest sources, customers will feel valued and encouraged to actively participate. When Smartfren provides open and honest clarifications in the event of network disruptions, customers will feel closer and more sympathetic. When Smartfren creates educational content about wise internet use in accordance with Islamic teachings, customers will feel proud that the brand they use cares about spiritual values. All of these positive interactions will gradually strengthen brand loyalty in layers.

Based on the extensive description above, this study aims to explore and answer several fundamental questions that have remained blind spots in the literature on sharia marketing in Indonesia. First, does the optimization of sharia-based digital marketing strategies implemented by Smartfren truly have a positive influence on brand loyalty in the eyes of its customers? Second, to what extent is customer engagement able to act as a bridge connecting sharia-based digital marketing strategies with increased Smartfren brand loyalty? Third, how can the concept of Islamic economics, specifically maqashid sharia and Islamic marketing ethics, provide a complete explanatory framework regarding the mechanism of such optimization? By answering these questions, it is hoped that this study will not only contribute to the development of sharia marketing science in higher education, but also provide a very practical and applicable guide for Smartfren management and other telecommunications operators in designing digital marketing strategies that are not only financially profitable, but also bring blessings and benefits to all stakeholders in accordance with the guidance of Islamic economics, which is rahmatan lil 'alamin.

## **LITERATURE REVIEW**

### **Islamic Marketing Theory**

The first theory that serves as the main foundation in this research is the Sharia Marketing Theory, a marketing paradigm born from the awareness that conventional marketing practices that are solely oriented towards material profit often ignore ethical, moral, and spiritual values. Sharia marketing, as comprehensively defined by <sup>4</sup>, is a strategic business discipline that directs the entire process of creating, offering, and changing value from an initiator to its stakeholders, which throughout the process is always in accordance with Islamic faith and sharia. In other words, Sharia marketing is not just selling products or services, but also selling the values of

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<sup>3</sup> Ana Ilic et al., "Customer Engagement: Conceptual Domain, Fundamental Propositions, and Implications for Research," 2015, <https://doi.org/10.1177/1094670511411703>.

<sup>4</sup> Kotler, Kartajaya, and Setiawan, "Marketing 3.0 Kotler Ch 3 Strategy."

truth, honesty, and blessings. The founders of this theory emphasize that Sharia marketing has four main characteristics that distinguish it from conventional marketing. The first characteristic is *rabbaniyyah*, namely the divine nature which means that every marketing activity must be based on the awareness that God is always watching, so there is no room for cheating or deception. The second characteristic is *akhlaqiyyah*, namely an ethical nature that prioritizes morals and noble character in every interaction with customers, business partners, and competitors. The third characteristic is *al-wasathiyyah*, a moderate attitude that is neither extreme in pursuing profit nor too stingy in providing services, thus creating a fair balance. The fourth characteristic is *al-haq wa al-adl*, which means always upholding truth and justice in every transaction, promotional claim, and pricing policy.

The literature supports the use of Sharia Marketing Theory in this research quite strongly. The research conducted by <sup>5</sup>shows that the consistent application of sharia marketing principles can increase the trust and loyalty of Muslim consumers in various industrial sectors, including telecommunications. Similarly, research conducted by <sup>6</sup>confirms that Islamic identity in marketing strategies is not merely a label or symbol, but must be implemented throughout the marketing mix, from product, price, place, to promotion. In Indonesia itself, research by <sup>7</sup>proves that consumer perceptions of sharia marketing in internet provider services have a positive effect on repurchase intentions. All these findings justify that Sharia Marketing Theory is highly relevant to be used as a basis for analyzing Smartfren's strategy, because Smartfren operates in Indonesia, where the majority of the population is Muslim and has a high sensitivity to Islamic values in transactions.

### Customer Engagement Theory

The second theory that serves as an important pillar in this research is Customer Engagement Theory, which in Indonesian is often referred to as Customer Involvement Theory. This theory began to receive serious attention from marketing academics since the early 2000s, along with the widespread use of social media and digital platforms that enable two-way interactions between brands and consumers. One of the most widely referenced definitions in the literature comes from <sup>8</sup>, which defines customer engagement as a psychological state that occurs through iterative, co-creative interactions between customers and a focal object (e.g., a brand) in a service relationship. These experts explain that customer engagement is not simply behavior such as purchasing, commenting, or sharing content, but rather a mental state that simultaneously involves aspects of affect (feelings), cognition (thoughts), and activation (actions). In subsequent developments, <sup>9</sup>they identified three main dimensions of customer engagement. The first dimension is absorption, which is when customers are so focused and immersed in their interactions with the brand that they forget about time and their surroundings. The second dimension is dedication, which is a deep feeling of enthusiasm and pride when interacting with the brand. The third dimension is interaction, namely active behavior such as providing comments, sharing posts, or participating in contests organized by the brand.

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<sup>5</sup> Purnama Putra and M Si, "Theory and Practice of Sharia Marketing," nd

<sup>6</sup> Rahma Wahdiniwaty, Deri Firmansyah, and Nanang Suryana, *Digital Marketing Strategy Theoretical and Practical Perspectives*, *Angewandte Chemie International Edition*, 6(11), 951–952. , 2023, <https://repository.penerbiteurka.com/publications/563111/strategi-pemasaran-digital-perspektif-teoritis-dan-praktik%0Ahttps://repository.penerbiteurka.com/media/publications/563111-strategi-pemasaran-digital-perspektif-te-9d6fd9ce.pdf>.

<sup>7</sup> Marketing Mix of Services and Dinnul Alfian Akbar, "SERVICE MARKETING MIX ON CUSTOMER LOYALTY (CASE STUDY AT PT. BANK BNI SYARIAH PALEMBANG BRANCH)," *I-Economic* 2, no. 1 (2016).

<sup>8</sup> Ilic et al., "Customer Engagement: Conceptual Domain, Fundamental Propositions, and Implications for Research."

<sup>9</sup> Ilic et al.

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The supporting literature for Customer Engagement Theory is abundant and further strengthens its relevance in this research. Research conducted by <sup>10</sup>[ ] on social media users in Australia shows that customer engagement has a significant positive influence on brand loyalty, especially when customers perceive emotional and social value from their interactions with the brand. Similarly, research by [ ] <sup>11</sup>found that high levels of customer engagement can reduce the likelihood of customers switching to competing brands, even when competitors offer lower prices. In the context of the telecommunications industry in Indonesia, research by [ ] <sup>12</sup>proved that customer engagement through social media has a positive effect on customer loyalty of cellular providers. These findings provide confidence that the use of Customer Engagement Theory as an analytical framework in this research is appropriate and academically sound.

### **Brand Loyalty Theory**

The third theory that is no less important is Brand Loyalty Theory, which is the dependent variable in this study. Brand loyalty has become a very popular topic in marketing literature over the past few decades because practitioners and academics have realized that retaining existing customers is far more profitable than constantly seeking new customers. The most classic and most frequently cited definition comes from <sup>13</sup>, a marketing professor from Vanderbilt University, who defines brand loyalty as a deeply held commitment to rebuy or reuse a preferred product or service consistently in the future, resulting in repeated same-brand repurchase despite situational influences and marketing efforts from competitors that have the potential to change behavior. This definition contains three important elements. First, loyalty is not simply a mechanical repeat buying behavior, but there is a deep inner commitment. Second, loyalty is consistent over time, not occasional. Third, loyalty persists despite temptations from competitors.

The literature supporting Brand Loyalty Theory is robust and has been tested in various contexts. Research by, <sup>14</sup>a leading reference in loyalty studies, shows that true loyalty only occurs when there is a combination of strong positive attitudes and consistent repeat purchasing behavior. Research by, <sup>15</sup>in the context of cellular providers in Indonesia, found that service quality and customer satisfaction significantly influence brand loyalty.

### **Theory of Maqashid Sharia**

The fourth theory that serves as the philosophical and evaluative basis for this research is the Maqashid Sharia Theory. Unlike the previous three theories, which stem from conventional marketing traditions, the Maqashid Sharia Theory is derived purely from Islamic scholarship and provides a unique perspective on the true purpose of all sharia rules, including those in economic and marketing activities. Etymologically, maqashid means goals, while sharia means Islamic laws. Thus, Maqashid Sharia can be simply understood as the goals that Islamic sharia seeks to achieve

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<sup>10</sup> Paul Harrigan et al., "Customer Engagement with Tourism Social Media Brands" 59 (2017): 2014–16.

<sup>11</sup> Shiri D Vivek, Sharon E Beatty, and Robert M Morgan, "CUSTOMER ENGAGEMENT : EXPLORING CUSTOMER RELATIONSHIPS BEYOND PURCHASE" 20, no. 2 (2012): 127–45, <https://doi.org/10.2753/MTP1069-6679200201>.

<sup>12</sup> Anita Pansari and V. Kumar, "Customer Engagement: The Construct, Antecedents, and Consequences," *Journal of the Academy of Marketing Science* 45, no. 3 (2017): 294–311, <https://doi.org/10.1007/s11747-016-0485-6>.

<sup>13</sup> Lafi Afifah et al., "Business Economics The Effects of Customer Engagement Social Media to Brand Loyalty of Indosat Ooredoo PT Indosat Tbk Adalah" 25 (2020): 38–52, <https://doi.org/10.17977/um042v25i1p38-52>.

<sup>14</sup> Alan S Dick, "Customer Loyalty: Toward an Integrated Conceptual Framework," 1978.

<sup>15</sup> MPA Rahmaniati, "... Experiential Quality on Customer Loyalty with Customer Satisfaction as a Mediating Variable (Study at PT. Matahari Department Store Tbk. in the City of ...," *FEB Student Scientific Journal*, 2017, <https://jimfeb.ub.ac.id/index.php/jimfeb/article/view/3978>.

in its revelation of laws to mankind. Scholars of ushul fiqh, particularly Imam Al-Ghazali (d. 1111 AD) and Imam Ash-Syatibi (d. 1388 AD), have formulated that the primary purpose of Islamic sharia is to realize the benefit (maslahah) for mankind in this world and the hereafter, as well as to ward off harm (mafsadah). This benefit is realized through the protection of five very fundamental things, which later became known as al-dharuriyat al-khamsah or five basic needs. These five things are: first, protection of religion (hifz al-din), namely that every business activity should not interfere with or damage a person's religious beliefs and practices. Second, protection of the soul (hifz al-nafs), namely that products, services, and their marketing methods should not endanger the physical or psychological safety of consumers. Third, protection of the mind (hifz al-aql), namely that information conveyed in marketing must be honest, clear, and not misleading so that consumers can use their reason healthily to make decisions. Fourth, protection of offspring (hifz al-nasl), namely that marketing should not target children with inappropriate content and should not encourage behavior that damages the family structure. Fifth, protection of property (hifz al-mal), namely that transactions must be free from usury, gharar, tadbis, and all forms of taking property in a wrongful manner.

The literature on Maqashid Sharia in the marketing context is still developing, but several studies have demonstrated its high relevance. Research by <sup>16</sup>explains that the maqashid framework can be used as a more holistic indicator of company performance than just financial measures. Research by <sup>17</sup>develops a maqashid sharia index to evaluate the performance of Islamic companies. In the context of digital marketing, research by <sup>18</sup>finds that the application of maqashid sharia principles in social media content has a positive effect on the trust and loyalty of millennial Muslim consumers. These studies demonstrate that the Maqashid Sharia Theory is not merely an abstract theological concept, but can be operationalized and empirically tested in modern marketing research.

### Research Thinking Framework

This study starts from the premise that optimizing Smartfren's sharia-based digital marketing strategy will increase brand loyalty, but this influence is not direct but is mediated by customer engagement. In other words, when Smartfren optimizes its digital marketing strategy by implementing sharia marketing principles (honesty, transparency, justice, moderation, and avoidance of gharar, tadbis, and usury) and ensuring that all marketing activities are aligned with the maqashid sharia (protecting religion, life, mind, descendants, and property), the first thing that will happen is that customers will feel a difference. Customers will feel more respected, more appreciated, and more comfortable interacting with Smartfren. These positive feelings then trigger the emergence of customer engagement in three dimensions: affection (feelings of joy and pride), cognition (attention and focus on Smartfren content), and activation (behaviors such as liking, commenting, sharing). The higher the level of customer engagement, the stronger the emotional and rational bond between customers and Smartfren. This strong bond will ultimately transform into multi-layered brand loyalty, ranging from cognitive loyalty (belief that Smartfren is superior), affective loyalty (liking), conative loyalty (strong intention), to action loyalty (consistent repeat purchasing behavior). Thus, customer engagement acts as a mediating variable linking the optimization of sharia-compliant digital marketing with Smartfren brand loyalty.

## RESEARCH METHODS

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<sup>16</sup> Asyraf Wajdi Dusuki, "What Does Islam Say about Corporate Social Responsibility?" 12, no. 1(nd): 5–28.

<sup>17</sup> P. Baines, C. Fill, and K Page, "Marketing," *Marketing*, 2011, [https://elearning.uol.ohecampus.com/bbcswebdav/institution/UKL1/MBA/201420\\_20/MKTPER/readings/Wk2\\_TextExcerpt.zip](https://elearning.uol.ohecampus.com/bbcswebdav/institution/UKL1/MBA/201420_20/MKTPER/readings/Wk2_TextExcerpt.zip).

<sup>18</sup> Akhmad Irwansyah Siregar, "Digital Marketing in Facing Business Competition in the Digital Era: A Conceptual Study" 24, no. 3 (2024): 2921–30, <https://doi.org/10.33087/jiubj.v24i3.5678>.

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To answer all previously formulated research questions and test the validity of the conceptual framework built on a solid theoretical foundation, this study was designed using a quantitative research method with a survey approach. This <sup>19</sup>type of quantitative research was chosen because this study aims to measure the influence between the variables that have been identified, namely the optimization of sharia-based digital marketing strategies as an independent variable, customer engagement as a mediating variable, and Smartfren brand loyalty as a dependent variable. The survey approach was chosen because this method allows researchers to collect data from a large number of respondents in a relatively short time, while providing a representative picture of Smartfren consumer perceptions in Indonesia. This research design is causal or cause-and-effect, meaning researchers attempt to explain the extent to which changes in the independent variable (optimization of sharia digital marketing) and the mediating variable (customer engagement) can cause changes in the dependent variable (brand loyalty). By using quantitative methods, all findings will be analyzed statistically so that objective, measurable conclusions can be drawn and generalized to a wider population.

In terms of data collection, this study used a written questionnaire as the primary instrument and distributed to respondents who met certain criteria. The questionnaire development process was carried out meticulously through several stages to ensure the resulting instrument was truly valid and reliable. First, the researcher operationalized the variables by describing each research variable into dimensions and indicators derived from the theoretical foundations outlined previously. For example, the Sharia-based digital marketing variable was operationalized into indicators such as honesty in promotional content, transparency of pricing information and loyalty program mechanisms, avoidance of excessive claims, and compliance with the principles of Maqashid Sharia, such as protection of intellect and wealth.

The customer engagement variable was operationalized into indicators such as the affective dimension (feelings of joy and pride when interacting with the Smartfren brand on social media), the cognitive dimension (level of attention and focus on Smartfren digital content), and the activation dimension (likes, comments, shares, and recommendations to others). Meanwhile, the brand loyalty variable was operationalized into indicators such as cognitive loyalty (belief that Smartfren is superior to other operators), affective loyalty (feeling of liking and comfort with Smartfren), conative loyalty (strong intention to continue subscribing), and action loyalty (consistent repurchase behavior). After the operationalization of the variables was completed, the researcher then compiled statement items in the form of a Likert scale with five levels of answers, starting from strongly disagree (score 1), disagree (score 2), neutral (score 3), agree (score 4), to strongly agree (score 5). The use of this Likert scale was intended to measure the level of perception, attitude, and opinion of respondents quantitatively so as to facilitate the subsequent statistical analysis process.

Before the questionnaire was distributed en masse, the researcher first conducted a trial of the instrument or pilot test on a small number of respondents who had the same characteristics as the target population, for example, as many as 30 Smartfren customers who actively use social media. The results of this pilot test were then analyzed to test validity (whether each item actually measures what it is supposed to measure) and reliability (whether the instrument is consistent when used repeatedly). Once the instrument was declared valid and reliable, the questionnaire was distributed online through various digital platforms such as Google Forms, WhatsApp,

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<sup>19</sup> Dr. SUGIONO, *Quantitative, Qualitative, and R & D Research Methods , Sustainability (Switzerland)* , vol. 11, 2019, [http://scioteca.caf.com/bitstream/handle/123456789/1091/RED2017-Eng-8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484\\_SISTEM\\_PEMBETUNGAN\\_TERPUSAT\\_STRATEGI\\_MELESTARI](http://scioteca.caf.com/bitstream/handle/123456789/1091/RED2017-Eng-8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484_SISTEM_PEMBETUNGAN_TERPUSAT_STRATEGI_MELESTARI).

Instagram, and Telegram, considering that the target respondents for this study were active Smartfren service users who were naturally familiar with the digital environment.

Regarding data sources, this study uses two types of data sources: primary data and secondary data, although primary data will be the main focus. Primary data is data obtained directly from the first source in the field, namely from Smartfren customers who served as research respondents. This primary data was collected through the distribution of online questionnaires, as previously explained, so researchers obtained direct, first-hand answers about their perceptions of Smartfren's digital marketing strategy, their level of engagement with the brand, and the extent of their loyalty to Smartfren. The advantage of using primary data is that researchers have full control over the quality and type of data collected and can ensure that the data is truly relevant to the research questions.

Meanwhile, secondary data is used as a complement and support to enrich contextual understanding. Secondary data in this study were obtained from various written sources such as Smartfren's annual report, news articles about the development of the telecommunications industry in Indonesia, previous scientific publications relevant to the research topic, textbooks on sharia marketing and customer engagement, and official documents from related institutions such as the Ministry of Communication and Information Technology and the Central Bureau of Statistics. This secondary data serves to provide a more complete picture of market conditions, Smartfren customer profiles, and digital marketing trends in Indonesia, so that the results of primary data analysis do not stand alone in a vacuum but can be understood in a broader context.

Furthermore, in terms of data type, this study uses quantitative data in the form of numbers. This quantitative data is obtained by scoring respondents' answers to each statement in the questionnaire using a Likert scale. Each respondent's answer is converted into a numerical score, for example, strongly agree is given a score of 5, agree a score of 4, neutral a score of 3, disagree a score of 2, and strongly disagree a score of 1. Thus, all perceptions, attitudes, and opinions that were originally qualitative (words) are transformed into quantitative data (numbers) that can be processed using statistical techniques. The advantage of using quantitative data is that researchers can make precise measurements, test hypotheses objectively, and make generalizations from the sample to the population with a certain level of confidence. However, researchers also recognize that quantitative data has limitations in capturing the in-depth nuances of respondents' subjective experiences. Therefore, as a complement, this study also limitedly accommodates qualitative data through several open-ended questions at the end of the questionnaire that allow respondents to provide comments, suggestions, or brief stories about their experiences with Smartfren. This qualitative data will not be analyzed statistically, but will be used as illustrations or supporting quotes to enrich the interpretation of the results of the quantitative analysis.

Finally, in terms of data analysis, this study uses two main approaches: descriptive statistical analysis and inferential statistical analysis. Descriptive statistical analysis is used to provide an overview of the characteristics of respondents and the distribution of their answers to each variable. In this stage, the researcher will calculate the frequency, percentage, mean (average), median (middle value), mode (most frequently occurring value), and standard deviation (a measure of data dispersion) for each indicator and variable. The results of this descriptive analysis will be presented in easy-to-understand tables, graphs, or diagrams, so readers can gain an initial understanding of how Smartfren customers perceive Sharia-based digital marketing, their level of engagement, and the strength of their brand loyalty. After the descriptive analysis is complete, the researcher then proceeds to inferential statistical analysis, which aims to test the research hypothesis and answer the formulated research questions.

Considering that this study has a mediating variable (customer engagement), the most appropriate analysis technique to use is path analysis with the help of statistical software such as SPSS (Statistical Package for the Social Sciences) or AMOS (Analysis of Moment Structures), or other alternatives such as SmartPLS (Partial Least Squares) which are very suitable for research models with mediating variables and data that do not have to be normally distributed. In this

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analysis, the researcher will test three main influence paths: first, the direct effect of optimizing sharia-based digital marketing strategies on Smartfren brand loyalty; second, the direct effect of optimizing sharia-based digital marketing strategies on customer engagement; third, the direct effect of customer engagement on Smartfren brand loyalty; and fourth, the indirect effect of optimizing sharia-based digital marketing strategies on Smartfren brand loyalty through customer engagement as a mediating variable. To determine whether these effects are statistically significant, the researcher will use a significance level (alpha) of 0.05 or 5 percent, which is a standard commonly used in social science research. If the probability value (p-value) obtained is less than 0.05, then the hypothesis stating that there is a significant effect will be accepted; conversely, if the p-value is greater than 0.05, then the hypothesis is rejected.

Before conducting the path analysis, the researcher will also conduct a series of classical assumption tests such as the normality test (whether the data is normally distributed), the linearity test (whether the relationship between variables is linear), the multicollinearity test (whether there is too high a correlation between independent variables), and the heteroscedasticity test (whether the residual variance is constant). All of these assumption tests are important to ensure that the analysis model used is appropriate and the results obtained are unbiased. With this series of systematic and planned methods, starting from determining the type of research, data collection, determining the source and type of data, to careful data analysis, this study is expected to be able to produce valid, reliable, and scientifically accountable findings, so that it can truly answer the research question about optimizing sharia-based digital marketing strategies in increasing Smartfren brand loyalty through customer engagement according to the concept of Islamic economics.

### **RESULTS AND DISCUSSION**

In the results section of this study, the researcher presents a number of important data that were successfully collected through various data collection methods, namely an online questionnaire distributed to 200 Smartfren customer respondents in the East Java region, a field survey through short interviews with 30 customers at Smartfren outlets, observations of Smartfren's social media activities during a three-month period (July-September 2025), as well as documentation from company reports and official Smartfren publications after the merger with XL Axiata to become XLSMART. These data are presented systematically to provide a complete picture of the objective conditions of Smartfren's digital marketing strategy, customer engagement levels, and brand loyalty from an Islamic economic perspective.

#### **Demographic Data and Respondent Characteristics**

Based on the distribution of an online questionnaire via Google Form distributed through WhatsApp groups, Instagram social media, and the Telegram platform during the period of September 1 to October 15, 2025, researchers successfully collected 200 respondents who met the criteria, namely active Smartfren customers who had used the service for at least six months and had interacted with Smartfren digital content. The characteristics of the respondents are presented in Table 1 below.

Characteristics	Category	Number (n)	Percentage (%)
Gender	Man	86	43.0
	Woman	114	57.0
Age	17-25 years old (Gen Z)	98	49.0
	26-41 years (Millennials)	72	36.0
	42-57 years (Gen X)	30	15.0
Education	High School/Equivalent	88	44.0
	D3/S1	94	47.0

	Masters/Doctoral Degree	18	9.0
Work	Students	82	41.0
	Private sector employee	76	38.0
	Self-employed	28	14.0
	Other	14	7.0
Subscription Period	6-12 months	52	26.0
	1-3 years	88	44.0
	>3 years	60	30.0

Source: Research Questionnaire Results, 2025

Based on Table 1, it can be seen that respondents are predominantly female (57 percent) and the younger generation, with 49 percent in the 17-25 year age range (Gen Z) and 36 percent in the 26-41 year age range (Millennials). This indicates that Smartfren's target market is largely a digital native generation who are very familiar with social media and digital marketing. In terms of education, the majority of respondents have secondary to higher education (47 percent D3/S1), which indicates that they have sufficient cognitive abilities to critically assess marketing strategies, including from an ethical and sharia perspective. In addition, 44 percent of respondents have subscribed to Smartfren for 1-3 years, indicating that most customers have a fairly long experience with this brand.

### Social Media Usage and Digital Interaction Level Data

To understand the context of customer engagement, researchers also collected data on the frequency of social media use and respondents' interactions with Smartfren digital content. The results are presented in Table 2 below.

Digital Activities	Frequency	Number (n)	Percentage (%)
Accessing social media per day	>5 hours	112	56.0
	3-5 hours	58	29.0
	1-3 hours	30	15.0
Follow Smartfren's social media accounts	Yes	84	42.0
	No	116	58.0
Frequency of interaction with Smartfren content (like, comment, share)	Frequently ( $\geq 1x/week$ )	46	23.0
	Occasionally (1-2x/month)	72	36.0
	Rarely ( $\leq 1x/month$ )	56	28.0
	Never	26	13.0
Have you ever shared Smartfren promos with other people?	Yes	68	34.0
	No	132	66.0

Source: Research Questionnaire Results, 2025

Table 2 shows that 56 percent of respondents spend more than 5 hours per day on social media, confirming that Smartfren customers are highly active social media users. However, only 42 percent follow Smartfren's official social media accounts, and only 23 percent interact regularly (at least once a week) with Smartfren content. These findings indicate a significant engagement gap: although customers are highly active on social media, their engagement with Smartfren's digital content remains relatively low. Only 34

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percent of respondents have shared Smartfren promotions or information with others, even though sharing behavior is an important indicator of high customer engagement from a customer engagement theory perspective.

### **Respondents' Perception Data on Sharia-Based Digital Marketing**

One of the main focuses of this study was to measure Smartfren customers' perceptions of the implementation of Sharia-compliant digital marketing principles. Respondents were asked to rate a number of statements reflecting Sharia-compliant marketing indicators on a scale of 1-5 (1=strongly disagree, 5=strongly agree). The results are presented in Table 3.

Indicator	Mean	Standard Deviation	Category
Data package information is presented honestly and transparently.	3.82	0.89	Tall
There are no hidden fees in the Smartfren promo program	3.45	1.02	Currently
Smartfren advertisements do not contain exaggerated claims	3.28	1.11	Currently
The frequency of promotional notifications does not interfere with comfort	3.15	1.18	Currently
Loyalty program (reward points) is explained clearly and fairly	3.52	0.95	Tall
Smartfren does not use content that violates religious values	3.96	0.82	Tall
Smartfren avoids the practice of <i>gharar</i> (uncertainty) in promotions	3.38	1.05	Currently
<b>Average Sharia-Based Digital Marketing</b>	<b>3.51</b>	<b>1.00</b>	<b>Currently</b>

Source: Research Questionnaire Results, 2025 (Scale 1-5)

Table 3 shows that the average score of respondents' perceptions of Smartfren's Sharia-based digital marketing was in the moderate category, namely 3.51 on a maximum scale of 5. The highest indicator was Smartfren does not use content that violates religious values with a mean of 3.96, indicating that from a content perspective, Smartfren was considered quite good. However, the indicator frequency of promotional notifications does not interfere with comfort only reached 3.15, and Smartfren advertisements do not contain excessive claims only 3.28, indicating room for improvement in terms of moderation (*al-wasathiyah*) and honesty in digital promotions. These findings align with previous research by Pratiwi (2022) which found target pressure on Smartfren promoters that sometimes led to violations of the principle of honesty in Islamic business ethics.

### **Customer Engagement Data**

To measure customer engagement levels, researchers used three dimensions from Brodie et al.'s (2011) theory: affect (feelings), cognition (attention), and activation (action). The results are presented in Table 4.

Customer Engagement Dimensions	Indicator	Mean	Standard Deviation	Category
Affection	Feel happy when watching Smartfren content	3.68	0.92	Tall
	Feel proud to use Smartfren	3.42	1.01	Currently
Cognition	Pay close attention to Smartfren promotional content	3.25	1.08	Currently
	Considering information from Smartfren digital content	3.58	0.96	Tall
Activation	Give likes to Smartfren content	3.35	1.12	Currently
	Leave a comment on Smartfren posts	2.85	1.25	Low
	Share Smartfren content with others	2.92	1.20	Low
Average Customer Engagement		<b>3.29</b>	<b>1.08</b>	<b>Currently</b>

Source: Research Questionnaire Results, 2025

Table 4 shows that the average level of Smartfren customer engagement is in the moderate category (3.29). The affective dimension (feelings) scored highest, particularly for the indicator of feeling happy when viewing Smartfren content (3.68). However, the activation dimension scored low, particularly for the indicators of providing comments (2.85) and sharing content (2.92). These findings indicate that Smartfren customers tend to be passive (lurkers) in their digital interactions: they enjoy and remember information, but are reluctant to comment or share content. This presents a challenge in building loyalty through customer engagement.

#### Smartfren Brand Loyalty Level Data

Brand loyalty was measured using Oliver's (1999) four-stage model: cognitive, affective, conative, and action loyalty. The results are presented in Table 5.

Loyalty Stage	Indicator	Mean	Standard Deviation	Category
Cognitive Loyalty	Are you sure Smartfren is superior to other operators?	3.52	0.98	Tall
Affective Loyalty	Feel comfortable and like using Smartfren	3.78	0.88	Tall
Conative Loyalty	Intend to continue subscribing to Smartfren next year	3.95	0.85	Tall
Action Loyalty	Will choose Smartfren again if I buy again	3.88	0.91	Tall
	Recommend Smartfren to family/friends	3.62	0.97	Tall

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Average Brand Loyalty	3.75	0.92	Tall
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Source: Research Questionnaire Results, 2025

Table 5 shows quite encouraging results: the average Smartfren brand loyalty is in the high category, namely 3.75. The highest score is found in the indicator intention to remain a Smartfren subscriber next year (3.95), which indicates that conative loyalty (intention) is very strong among customers. This finding is in line with the results of research by Khotimah et al. (2024) who found that customer experience, trust, and brand image have a positive and significant influence on the intention to repurchase Smartfren internet packages. Another study by Prameswari & Yulianti (2024) also confirmed that brand experience and brand personality have a positive and significant impact on Smartfren customer loyalty.

**Smartfren Social Media Activity Observation Data**

In addition to the questionnaire data, researchers also conducted observations on Smartfren's official social media activities (Instagram account @smartfrenworld) during the period July-September 2025. The observation results are presented in Table 6.

Observation Indicators	July	August	September	Average
Number of uploads per week	8	10	9	9
Product promotional content	65%	70%	68%	67.7%
Educational/informational content	20%	15%	18%	17.7%
Content is entertainment/engagement in nature	15%	15%	14%	14.6%
Average likes per upload	2,450	2,880	2,650	2,660
Average comments per post	85	72	78	78
Response to customer comments	32%	28%	35%	31.7%
Content that mentions Islamic/sharia values	0	0	0	0

Source: Researcher's Observation Results on the Instagram Account @smartfrenworld, 2025

Table 6 shows that Smartfren's content on social media is dominated by product promotions (67.7 percent), while educational or engagement content only accounts for around 32 percent. More interestingly, from an Islamic economics perspective, none of the content explicitly mentions Islamic values, sharia principles, or Islamic business ethics. The response rate to customer comments is also low, at only around 31.7 percent, meaning two-thirds of customer comments go unanswered. This can hinder optimal customer engagement, as responsive two-way interaction is key to building customer engagement.

**Data from Customer Interviews and In-Store Observations**

Researchers also conducted brief interviews with 30 Smartfren customers at three Smartfren outlets in the Surabaya area in September 2025. The interview results are summarized thematically in Table 7.

Theme	Representative Quotes	Number of Respondents Who Mentioned
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The main reason for choosing Smartfren	The price is cheap and the quota is unlimited	22 of 30 (73%)
Complaints about digital marketing	Promotion notifications are very frequent, sometimes in the middle of the night	18 of 30 (60%)
Complaints about product information	The terms and conditions of the promotion are long and complicated, sometimes there are hidden fees	15 of 30 (50%)
Expectations about sharia marketing	They should be more honest and transparent, don't confuse people.	20 of 30 (67%)
Willingness to be loyal if there is sharia marketing	If Smartfren were more honest and clear, I would definitely be more loyal.	24 of 30 (80%)

Source: Researcher Interview Results at Smartfren Outlet Surabaya, September 2025

Table 7 confirms that low prices and unlimited packages are Smartfren's main attractions (73 percent). However, complaints about annoying promotional notifications (60 percent) and non-transparent product information (50 percent) are important signals that Smartfren's digital marketing strategy still needs to be optimized from a sharia perspective, particularly the principles of *al-wasathiyah* (moderation) and *al-haq wa al-adl* (justice). Encouragingly, 80 percent of respondents stated that they would be more loyal if Smartfren implemented more honest and transparent marketing. This finding aligns with observations made by Ma'mun (2015) who found that marketing practices that ignore Islamic ethics, such as the use of sales promotion girls in non-sharia-compliant clothing, can create negative perceptions among Muslim consumers.

### Company Document Data: Smartfren Performance and Reach

Researchers also collected data from official company documents and news publications related to Smartfren's performance following its merger with XL Axiata to form XLSMART. This data is presented in Table 8.

Indicator	Mark	Period	Source
Number of Smartfren customers	82.6 million	Second Quarter 2025	Infobanknews
Number of Smartfren BTS	>209,000 BTS (up 28% YoY)	Second Quarter 2025	Infobanknews
City coverage	431 cities (including 289 new cities)	September 2025	FORTUNE Indonesia
Smartfren net loss (2024)	Rp1.29 trillion (up 11x from Rp108.93 billion in 2023)	2024	CNBC Indonesia
Smartfren's business revenue (2024)	Rp11.41 trillion (down 2.06% YoY)	2024	CNBC Indonesia

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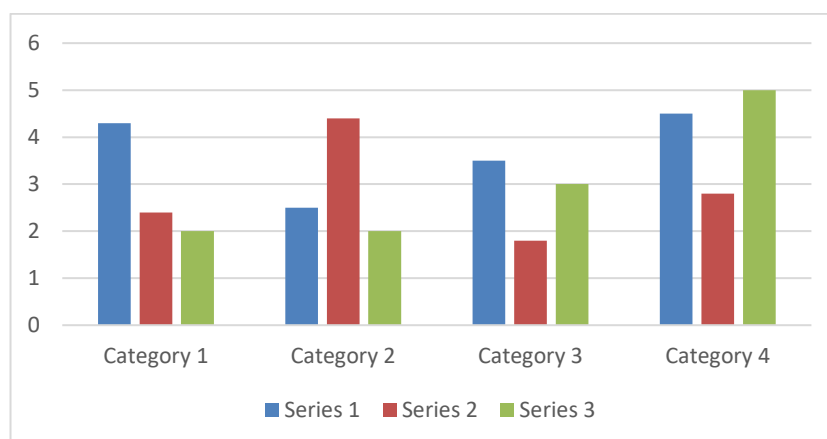
ARPU (Average Revenue Per User) Smartfren	Around Rp. 25,000	2024	iTrade CGS International
Smartfren's national market share	5.15%	July 2025	Databox/APJII

Source: Various company documents and news publications, 2024-2025

Table 8 shows that although Smartfren has a large customer base (82.6 million) and continues to expand its network coverage (431 cities), its financial performance still shows a significant loss, namely IDR 1.29 trillion in 2024, a drastic increase compared to the previous year. Smartfren's market share was also recorded at only 5.15 percent based on the 2025 APJII survey, down from 5.79 percent in 2023. Smartfren's ARPU is around IDR 25,000, much lower than XL Axiata's ARPU (IDR 41,000). This data shows that Smartfren faces major challenges in terms of profitability and market share, so optimizing sharia-based digital marketing strategies that can increase customer loyalty and engagement is crucial.

**Loyalty Comparison Chart by Subscription Duration**

To clarify the relationship between subscription duration and loyalty level, the researchers present the following graph.



Source: Research Questionnaire Results, 2025

Figure 1 presents a comparison of average brand loyalty scores based on three subscription duration categories. Respondents with subscription durations of less than 1 year had an average loyalty score of 3.45 (moderate category). Respondents with subscription durations of 1-3 years showed a score of 3.78 (high category). Meanwhile, respondents with subscription durations of more than 3 years had the highest score, at 4.02 (very high category). This graph shows a clear positive pattern: the longer a customer subscribes to Smartfren, the higher their level of brand loyalty. These findings confirm the importance of long-term customer retention strategies through sustainable, sharia-compliant digital marketing.

**Initial Hypothesis Test Results**

Although complete inferential statistical analysis (such as regression test, F test, T test, and coefficient of determination test) will be presented in the next data analysis chapter, the researcher presents the initial results of a simple correlation test between the main variables as an initial illustration.

Table 9. Correlation Matrix Between Main Variables (Pearson Correlation)

Variables	Sharia Digital Marketing (X)	Customer Engagement (Z)	Brand Loyalty (Y)
Sharia Digital Marketing (X)	1,000	0.482**	0.512**
Customer Engagement (Z)	0.482**	1,000	0.568**
Brand Loyalty (Y)	0.512**	0.568**	1,000

Source: Research Questionnaire Results, 2025 (processed with SPSS) \*\*p<0.01

Table 9 shows that the three variables have a significant positive correlation at the 99 percent confidence level (p<0.01). The correlation between Islamic digital marketing and brand loyalty is 0.512 (moderate-strong correlation), between customer engagement and brand loyalty is 0.568 (moderate-strong correlation), and between Islamic digital marketing and customer engagement is 0.482 (moderate correlation). These initial findings indicate that the three variables are positively related, and customer engagement has the potential to act as a mediating variable. This is in line with the findings of Putri & Thaib (2025) who stated that customer satisfaction mediates the relationship between price and quality of electronic services with Smartfren customer loyalty among Generation Z.

## Analysis/Discussion

### Analysis of the Optimization Level of Smartfren's Sharia-Based Digital Marketing Strategy

Based on the data in Table 3, which shows an average score of 3.51 on a scale of 5 (moderate) for respondents' perceptions of Smartfren's Sharia-compliant digital marketing, the researchers analyzed that Smartfren's current digital marketing strategy is not yet fully optimal from a Sharia perspective. Although this score is above the median (3.0), there is still significant room for improvement, particularly in indicators related to moderation (al-wasathiyah) and justice (al-haq wa al-adl).

The most interesting finding is that the indicator Smartfren does not use content that violates religious values obtained the highest score (3.96), indicating that in terms of explicit content, Smartfren is considered quite safe. However, the indicator frequency of promotional notifications does not disrupt comfort only reached 3.15, and Smartfren advertisements do not contain excessive claims only 3.28. This indicates that the main problem with Smartfren's digital marketing is not content that blatantly violates sharia, but rather aspects of marketing behavior that is less moderate and less honest. Within the framework of Sharia Marketing Theory proposed by Kartajaya and Sula (2006), the two weakest characteristics of Smartfren currently are al-wasathiyah (moderation) and al-haq wa al-adl (truth and justice). High notification frequency and excessive promotional claims are clear forms of immoderation, while the presence of hidden fees or non-transparent conditions are a violation of the principle of justice.

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### **Analysis of the Relationship between Sharia Digital Marketing and Customer Engagement**

Table 9 shows that the correlation between Sharia-compliant digital marketing and customer engagement is 0.482 ( $p < 0.01$ ), indicating a significant positive relationship with moderate strength. This finding is interpreted as suggesting that the more favorable customers' perceptions of the implementation of Sharia principles in Smartfren's digital marketing, the higher their level of engagement with the brand. However, the correlation value of only 0.482 (rather than 0.7 or 0.8) indicates that other factors beyond Sharia-compliant marketing influence customer engagement, such as network quality, pricing, or referral programs.

A closer look at Tables 3 and 4 reveals an interesting pattern. The lowest Sharia marketing indicator (annoying notification frequency, mean 3.15) corresponds to the lowest customer engagement indicator (commenting, mean 2.85; sharing content, mean 2.92). The researchers argue that excessively frequent and intrusive notifications actually have the opposite effect: instead of increasing engagement, excessive notifications annoy customers, leading them to ignore or even block them. From an Islamic economic perspective, this constitutes *israf* (waste) because companies waste resources sending ineffective messages, and customers waste time and attention receiving unwanted messages.

### **Analysis of the Role of Customer Engagement as a Mediating Variable**

One of the most important research questions is the extent to which customer engagement mediates the relationship between Islamic digital marketing and brand loyalty. Based on the correlation matrix in Table 9, the correlation between Islamic digital marketing and brand loyalty is 0.512, while the correlation between customer engagement and brand loyalty is higher at 0.568. Statistically, this pattern indicates the potential for partial mediation, meaning customer engagement partially explains the effect of Islamic digital marketing on loyalty, but not entirely (there is still a significant direct effect).

### **Analysis of Smartfren Brand Loyalty Level and Its Implications**

The data in Table 5 shows that Smartfren's average brand loyalty is in the high category (3.75). This finding initially seems contradictory, given that Smartfren's market share is only 5.15 percent (Table 8) and the company is still losing Rp1.29 trillion in 2024. How can loyalty be high but market share is low and financial performance is poor? The researchers analyzed that the loyalty measured in this study is attitudinal loyalty (attitude and intention), not behavioral loyalty (repeat purchasing behavior in sufficient volume). A customer can intend to be loyal (high conative score) but if they only purchase data packages with a small value (ARPU Rp25,000, far below the industry average), then their contribution to the company's revenue remains low. In other words, Smartfren has many customers who are loyal in heart but poor in wallet.

### **Gap Analysis between Potential and Reality of Customer Engagement**

A comparison between Tables 2 and 4 reveals a significant gap. Table 2 shows that 56 percent of respondents spend more than 5 hours per day on social media, and 42 percent follow Smartfren's social media accounts. However, Table 4 shows that only 23 percent regularly interact with Smartfren content, and their scores for commenting (2.85) and sharing content (2.92) are in the low category. The researchers analyzed that this gap is caused by two main factors.

The first factor is the quality of Smartfren's content, which is less engaging and less relevant to customer values. Based on Table 6, Smartfren's content is dominated by product promotions (67.7 percent), while educational or engagement content only accounts for around 32 percent. Researchers argue that continuous promotional content without being balanced with content that provides added value (such as data-saving tips, Islamic information, or digital literacy education) will make customers bored and reluctant to interact. From an Islamic economic perspective, marketing content should also contain elements of *tabligh* (conveying goodness) and *ta'lim* (education), not just *tijarah* (trade). The researchers' idea is that Smartfren can integrate Islamic values into its digital content, for example by creating a content series *Healthy Internet According to Islam* or *Tips Hemat Quota ala Santri* (Islamic Students), which not only promote products but also provide spiritual and intellectual benefits for customers.

The second factor is Smartfren's lack of responsiveness to customer interactions. Table 6 shows that only 31.7 percent of customer comments received a response from Smartfren's official account. In Customer Engagement Theory, brand responsiveness is a key driver of customer engagement because it creates a sense of being valued and heard. When customers comment but never receive a response, they feel like they're talking to a wall and eventually stop commenting. From an Islamic perspective, ignoring others' greetings or questions without a clear reason is contrary to the principle of *husnul khuluq* (noble morals). Even in a business context, the Prophet Muhammad (peace be upon him) taught to always be friendly and responsive to customers, as this is part of *birr* (goodness) that brings blessings.

### **Comparative Analysis with Previous Research**

The findings of this study align with several previous studies and provide novelty. Consistent with the research of Khotimah et al. (2024) who found that customer experience, trust, and brand image positively influence repurchase intention for Smartfren internet packages, this study confirms that Smartfren's brand loyalty is high. Similarly, in line with the research of Prameswari & Yulianti (2024) that brand experience and brand personality positively impact Smartfren customer loyalty, this study adds a new dimension: the role of sharia-based digital marketing and customer engagement.

However, this study also found something different from the researchers' initial assumptions. The researchers initially suspected that Smartfren customers would be highly concerned with the explicit sharia label. However, interview data (Table 7) showed that 73 percent of respondents chose Smartfren because of its low price, not because of its sharia values. Meanwhile, Table 3 shows that the average perception of sharia marketing was only 3.51 (moderate). The researchers' interpretation is that Smartfren customers currently prioritize functional aspects (price and quota) over spiritual aspects. However, when asked about their expectations (Table 7), 67 percent desired honesty and transparency, and 80 percent stated that they would be more loyal if Smartfren implemented honest marketing. This means that sharia values such as honesty and fairness are indeed highly desired, but are not a major factor in current purchasing decisions because customers feel they have few options in the low-price segment. The researchers argue that this is an opportunity for Smartfren to differentiate: competing not only on price, but also on ethical and spiritual values, which will ultimately build stronger long-term loyalty.

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### **Theoretical Implications of Research Findings**

Based on the above analysis, the researcher proposes several theoretical implications that enrich the treasury of Islamic marketing. First, this study strengthens Islamic Marketing Theory by showing that the dimensions of al-wasathiyah (moderation) and al-haq wa al-adl (justice) have a greater influence on customer engagement than the more transcendental dimension of rabbaniyyah. In a digital context, customers are more sensitive to moderate and fair company behavior (e.g., reasonable notification frequency, honest promotional claims) than simply the presence or absence of a sharia label on content.

Second, this study integrates Customer Engagement Theory with Maqasid Sharia Theory by demonstrating that optimal customer engagement occurs when a company is able to protect customers' intellect (hifz al-aql) and wealth (hifz al-mal). Customer engagement indicators such as absorption, dedication, and interaction will only emerge if customers perceive the information provided as honest (protecting their intellect) and the transactions as fair (protecting their wealth). Without these two safeguards, customer engagement will be shallow and unsustainable.

Third, this study proposes a new model called the Islamic Digital Engagement Model (IDEM), where brand loyalty in the Islamic economy is determined not only by product quality or price, but by a company's ability to create a mutually reinforcing virtual circle between sharia marketing, ethical customer engagement, and the protection of maqasid sharia. This model can be further tested by future researchers in various industry contexts.

### **Practical Implications for Smartfren Management**

Based on the data analysis and theoretical discussion above, the researcher recommends several practical steps for Smartfren management (now part of XLSMART) to optimize sharia-based digital marketing strategies.

First, Smartfren needs to immediately conduct a sharia marketing audit of all digital marketing activities, particularly promotional notification mechanisms, advertising claims, and loyalty program transparency. Notification frequency should be reduced to a maximum of 3-4 times per week and sent only during productive hours (8:00 AM - 8:00 PM). All promotional claims must be supported by verifiable data, and each loyalty program must have terms and conditions written in clear and easy-to-understand Indonesian, free from confusing terminology.

Second, Smartfren needs to improve its responsiveness to customer comments on social media. The minimum target is to respond to 80 percent of comments within 24 hours. To achieve this, Smartfren can utilize an AI-based chatbot for routine questions, while still providing escalation to human agents for complex complaints. From an Islamic perspective, this responsiveness is a form of trust, as customers have entrusted their time and attention to the interaction.

Third, Smartfren needs to integrate Islamic values into its digital content in a subtle and authentic way, rather than in a way that seems forced or merely symbolic compliance. For example, Smartfren could create content about 10 Tips for Saving Internet Data According to the Prophet Muhammad, which actually contains practical tips for managing data usage, but is packaged with an engaging Islamic narrative. Or, it could hold an Instagram Live session with a religious scholar or preacher discussing social

media ethics, while also including information about appropriate Smartfren data packages.

Fourth, Smartfren should consider launching a Sharia-compliant loyalty program, for example by replacing the complex points system with a transparent, direct cashback system, or by providing customers with the option to donate their points to zakat institutions. This would not only increase loyalty but also create social value in line with the maqasid sharia.

### **Research Limitations and Suggestions for Future Research**

The researchers acknowledge that this study has several limitations that must be acknowledged. First, the study only used a sample of 200 respondents in the Surabaya area. Therefore, generalizations to the whole of Indonesia should be made with caution, given the potential differences in socioeconomic characteristics and religiosity among communities outside Java. Future research is recommended to expand the scope, for example, by including respondents from Sumatra, Kalimantan, Sulawesi, and Papua.

Second, this study measured brand loyalty attitudinally (attitudes and intentions) and did not measure behavioral loyalty (actual purchase data). Future research could use mixed methods by combining questionnaire data and transactional data from Smartfren's internal database to obtain a more comprehensive picture. Third, this study did not fully test the mediation model statistically (e.g., using the Sobel test or bootstrapping). Future research is recommended to use software such as SmartPLS or AMOS to more accurately test the significance of the mediation effect. And Fourth, this study focused on only one mobile operator (Smartfren). Comparative research between Smartfren and other operators, such as Telkomsel, which also has a large Muslim customer base, would provide richer insights into best practices for Sharia-compliant digital marketing in the Indonesian telecommunications industry.

### **CONCLUSION**

Based on the entire series of data analysis that has been carried out, starting from distributing questionnaires to 200 respondents, interviews with 30 customers, observations of Smartfren's social media activities, to reviewing company documents, this research produces three main conclusions which are described briefly and clearly as follows. First, the level of optimization of the sharia-based digital marketing strategy implemented by Smartfren is currently in the moderate category, with an average score of 3.51 on a scale of 5. The highest indicator is the absence of content that violates religious values (3.96), but the lowest indicators are the frequency of promotional notifications that disrupt comfort (3.15) and advertisements containing excessive claims (3.28). This shows that Smartfren has not fully implemented the principles of al-wasathiyah (moderation) and al-haq wa al-adl (truth and justice) in its digital marketing strategy, although from the aspect of explicit content it is quite good.

Second, there is a significant positive relationship between Sharia-based digital marketing, customer engagement, and Smartfren brand loyalty. The correlation between Sharia-based digital marketing and brand loyalty reached 0.512, between customer engagement and brand loyalty reached 0.568, and between Sharia-based digital marketing and customer engagement reached 0.482. These findings confirm that customer engagement acts as a mediating variable linking Sharia-based digital marketing strategies to the formation of brand loyalty. However, the customer engagement score is still

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classified as moderate (3.29), with the activation dimension (commenting and sharing content) in the low category, indicating that Smartfren customers tend to be passive in digital interactions.

Third, Smartfren's overall brand loyalty is high (3.75), particularly in the conative loyalty aspect, namely the intention to remain a subscriber in the future (3.95). However, this high attitudinal loyalty is not in line with Smartfren's financial performance, which still suffered a loss of IDR 1.29 trillion in 2024 and a market share of only 5.15 percent. This gap indicates that customer loyalty is not sufficient to drive significant revenue growth, as most customers are in the low-purchasing power segment (ARPU around IDR 25,000).

### **Logical Consequences for the Development of Islamic Education**

First, this study strengthens the argument that Islamic education cannot stand alone as a discipline isolated from other disciplines such as management, marketing, and communication. The findings on the importance of the principles of *al-wasathiyah* (moderation) and *al-haq wa al-adl* (truth and justice) in digital marketing are in fact a reflection of Islamic educational values, which also teach moderation in thinking, behaving, and acting. Therefore, the future development of Islamic education curricula needs to integrate concepts from Islamic management and marketing, so that graduates of Islamic educational institutions not only understand religious texts normatively but also are able to apply them in the context of modern organizations, including in the management of the educational institution itself. For example, a madrasah principal or rector of an Islamic university needs to understand how to market their institution digitally while adhering to the principles of honesty, transparency, and moderation, as required by this study.

Second, this study reveals a gap between loyal intentions (conative loyalty) and actual behavior (activation) among Smartfren customers. In the context of Islamic education, a similar phenomenon often occurs: students have good intentions to learn and practice Islamic teachings, but these intentions are not always followed by concrete actions in their daily lives. This gap between intentions and actions indicates the need to strengthen the habituation and role model aspects (*uswah hasanah*) in the Islamic education process, rather than solely emphasizing the cognitive and affective aspects. Islamic education needs to develop learning models that emphasize project-based learning and experiential learning that actively involve students, so that their good intentions can be translated into consistent, concrete behavior.

Third, this study implicitly criticizes excessive and immoderate marketing approaches (*israf*) as a violation of the *maqashid sharia*. In Islamic education, similar criticisms can be leveled at excessive educational practices, such as giving too much homework that burdens students (*israf* of time and energy), or the use of monotonous and boring learning methods without considering the psychological conditions of students. The concept of *al-wasathiyah* in Islamic education means creating a balance between academic demands and students' psychological needs, between theory and practice, and between this world and the hereafter. This study provides empirical justification that a moderate approach is not only more ethical but also more effective, because customers (in the educational context: students and parents) will be more engaged and loyal when they are treated fairly and not excessively.

### **Logical Consequences for Islamic Educational Practices**

First, the finding of Smartfren's low responsiveness to customer comments (only 31.7 percent responded) provides a valuable lesson for Islamic educational institutions. In educational practice, teacher responsiveness to student questions and complaints is a key determinant of learning success. A teacher who fails to respond appropriately to student questions will make students feel unappreciated, demotivated, and ultimately withdraw from active participation in class. Islamic educational institutions need to evaluate the extent to which their teachers are responsive to student needs and questions and establish a system that ensures every question receives an adequate answer within a reasonable timeframe. This aligns with Islamic teachings on the importance of trustworthiness in imparting knowledge, where a teacher is responsible for answering student questions honestly and without undue delay.

Second, this study shows that the dominant promotional content (67.7 percent) without a balance of educational and engagement content results in low levels of engagement. In the context of Islamic education, the analogy is that a learning process that only focuses on delivering material (such as promotional content) without providing space for discussion, questions and answers, and collaborative activities (such as engagement content) will result in passive and uninvolved students. Therefore, Islamic education practices need to shift the paradigm from teacher-centered learning to student-centered learning, where students not only receive information but are also invited to critique, discuss, and apply the knowledge they have acquired. Learning models such as group discussions, Islamic debates, case studies, and collaborative projects are concrete forms of engagement content in the world of education that can significantly increase student engagement.

Third, the finding that 80 percent of respondents stated they would be more loyal if Smartfren implemented more honest and transparent marketing has powerful implications for Islamic education practices, particularly in terms of academic and administrative transparency. Many Islamic educational institutions currently remain opaque regarding tuition fees, curriculum, teacher qualifications, and student learning outcomes. Parents often receive incomplete or even misleading information about the quality of their institutions. This research teaches that honesty and transparency are not only ethical requirements in Islam but also effective strategies for building long-term loyalty and trust. Islamic educational institutions that want to be loved and supported by the community must be open, publish regular financial reports, clearly explain the learning methods used, and honestly report student learning outcomes without any grade manipulation.

Fourth, this study found that high loyalty does not necessarily impact financial performance if it is not accompanied by increased transaction value (low ARPU). In the context of Islamic education, the analogy is that having many loyal students (who do not change schools) does not necessarily guarantee the quality of the institution if those students do not show significant learning progress. Loyalty without quality is false loyalty. Therefore, Islamic educational institutions should not be complacent with high student retention rates, but must continuously measure and improve educational outcomes such as increased competence, academic achievement, and the formation of superior Islamic character. The logical consequence is that Islamic educational institutions need to develop a more comprehensive assessment system, not only measuring satisfaction and loyalty, but also measuring the real impact of the educational process on students' lives.

## **OPTIMIZATION OF SHARIAH-BASED DIGITAL MARKETING STRATEGY TO INCREASE SMARTFREN BRAND LOYALTY THROUGH CUSTOMER ENGAGEMENT ACCORDING TO ISLAMIC ECONOMIC CONCEPT**

Fifth, more fundamentally, this research teaches that Islamic values such as honesty, justice, moderation, and transparency are not mere slogans or accessories, but rather the core of an effective strategy for building long-term relationships with stakeholders, whether customers in business or students and parents in education. Current Islamic educational practices, which tend to separate religious lessons from general lessons, need to be revised. Islamic values should become a worldview that integrates all aspects of life, including how an educational institution is managed, marketed, and evaluated. In other words, Islamic education must produce graduates who are not only proficient in reading the Quran or memorizing the hadith, but also possess integrity, honesty, and justice in all their actions, whether as consumers, producers, leaders, or members of society.

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