The Influence of Sharia Compliance and Customer Experience on Satisfaction and Loyalty of Muslim Tourist who Visited Sharia Hotel

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Abstract -- Halal tourism is one of the sectors in Islamic Economy which has a significant development. In this case, sharia hotel is an inseparable part of the halal tourism sector. In Indonesia, the implementation of halal tourism is still being addressed. However, the quantity of sharia accommodation available in Indonesia is relatively small compared to the number of regular accommodation. Thus, the development of sharia hotels or hotels that are friendly to Muslim tourists need to be done more intensively and massively. The development of the hotel can be done by implementing some strategies, among which are business and marketing strategies that focus on the approach of consumers or tourists. This research aims to analyze the influence of sharia compliance and customer experience which are helpfulness, value for time, customer recognition, promise fulfillment, problem solving, personalization, competence, accessibility on satisfaction and loyalty of Muslim tourists who visited the sharia hotels. The population of the research is Muslim tourists who stay at sharia hotels in Lombok, Indonesia, while the number of samples used are 205 respondents. Data analysis method used is Structural Equation Modeling (SEM). The results of the research shows that sharia compliance, helpfulness, customer recognition, promise fulfillment, personalization have significant influence on satisfaction, and satisfaction is proved to influence the loyalty of Muslim tourists who visited sharia hotels.

Keywords -- sharia compliance, customer experience, satisfaction, loyalty, and sharia hotel.

I. INTRODUCTION

Islamic economy is an essential part of the Indonesian economy. It is constantly evolving and becoming one of the major roles in global finance. There are seven sectors of Islamic economy that have increased significantly, those are culinary, food, finance, insurance, fashion, cosmetics, pharmacy, entertainment, and tourism. Among these sectors, it is halal tourism that gained concern the most. In fact, halal tourism continues to experience significant growth compared to existing conventional tourism.

By 2015, Thomson Reuters and Dinar Standard data show that Muslim communities contributed to the world's tourism market as much as US $ 151 billion (excluding Hajj and Umrah). This represents 11.2% of total global tourism expenditure that predicted to exceed US $ 243 billion by 2021 [1].

The implementation of halal tourism in Indonesia is still being evaluated. Based on the data gathered from The Ministry of Tourism, Indonesia currently has 15 halal tourist attractions, 101 Muslim friendly accommodation from a total of 8,623 accommodation, 543 Muslim friendly restaurants from a total of 26,826 restaurants, 31 Muslim friendly travel agencies from a total of 11,178 travel agencies, and 18 Muslim friendly SPA from 8,048 SPA (Acceleration Team of Halal Tourism Development Ministry of Tourism RI, 2016). From this, it is clear that the current number of sharia accommodation is still far behind the number of regular accommodation.

Lack of sharia accommodation is almost in every province in Indonesia. However, for some provinces that have been designated as halal tourist destinations by the Ministry of Tourism, such as West Nusa Tenggara, Aceh, and West Sumatra province, the number is relatively large. Although, the number of entrepreneurs who register their hotels to obtain halal certificate from local Indonesian Ulema Council (MUI) is still relatively stagnant. This happened in West Nusa Tenggara as well. According to MUI NTB, the reason for the lack of sharia accommodation quantity is because there are still many hotel owners fearing that their visitors will be decreased when they have the licence of the halal certification from MUI [2]. Currently the number of sharia hotels or Muslim friendly hotels are as much as 42 hotels of 8,158 star hotels and non stars located in West Nusa Tenggara [3].

Thus, the development of sharia hotels or hotels that are friendly to Muslim tourists need to be boosted more intensively and massively. The development of the hotel can be done by implementing several strategies, among which are business and marketing strategies that focus on the approach of consumers or tourists. In service marketing management, there is a focus on customer behavior, which consists of three schemes: customer choice, customer experience, and postexperience evaluation [4]. In this study the authors focus on consumer behavior from the customer experience only.

Customer experience is an important consideration for companies that engaged in services as an effort to fulfill the desire of customers, not from the perspective of the
company. As it is described that in order to track competitors, the hospitality business must be completely focused on the guests or the needs of guests, with wishes and desires to make their hospitality service a memorable experience so that guests would make repeat visits in the same place. Bagdare [5] explained that consumers will always involve themselves when choosing a place for shopping, spending decisions, and post-shopping stages which leads to a complete experience to determine their satisfaction levels and repeat visits. From these explanations it can be said that customer experience has a significant relationship to sales, satisfaction, more frequent shopping visits, loyalty, profitability, word of mouth communication, and image building [6].

According to Lemke et al., customer experience has eight influential variables, which are helpfulness, value for time, customer recognition, promise fulfillment, problem solving, personalization, competence, and accessibility (access to services) [7]. Based on this background, the author took the title “The Influence of Sharia Compliance and Customer Experience on Satisfaction and Loyalty of Muslim Tourists who Visited Sharia Hotel”.

II. LITERATURE REVIEW

A. Sharia Hotel

Sharia hotel is part of the hotel (model) that provides facilities that suit the values and principles of sharia, to minimize the occurance of immorality which is prohibited by Islam, such as prostitution, drugs, and gambling. Sharia hotel is one of the accomodation in the field of tourism which provides an attractive form of service in order to improve the moral quality and the noble character [8]. In addition, the most important thing is to always provide optimal service, because basically halal tourism is a tour that is not different from regular tourism, but a tourism based on extended services of conditions [9]. Thus, what is meant by sharia hotel here is a hotel that suits the needs of Muslim tourists, but its existence does not against certain laws, regulations, and standards. For example, the hotel can provide halal food and facilities that facilitate Muslim tourists, as well as being separated with business that is prohibited under the provisions of Islamic teachings [10].

B. Sharia Compliance of Hotel

Battour [7] stated that sharia compliance affects the satisfaction of Muslim tourists. Furthermore, Abdul Kadir Din [11] explained that the need for sharia compliance is a special requirement for seasonal travelers who must be satisfied by tour operators. Similarly, based on the results of research conducted by Sripsasert [12], that in the development of halal tourism, it is essential to pay attention of things that related to the needs of Muslim tourists, such as the direction of Qibla, halal food, and so forth.

Thus, sharia compliance is another variable that must be provisioned or noticed by hospitality service providers. The provision of this is part of the optimization of services for the visitors, since the sharia hotel is basically a hotel that provides services as usual, but more concern on extended services of conditions and the needs of Muslim tourists [7].

Based on international regulations, there are 3 (three) main categories in the implementation of sharia in a hotel: low, middle, and advanced. These categories can be seen below:

<table>
<thead>
<tr>
<th>Category</th>
<th>OIC countries with moderate MFT ecosystems</th>
<th>OIC countries with advanced MFT ecosystems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-OIC countries with limited MFT ecosystems</td>
<td>• High proportion of non-Muslim visitors</td>
<td>• Preominantly Muslim visitors</td>
</tr>
<tr>
<td></td>
<td>• Halal food is widely available, but alcohol is common in hotels</td>
<td>• Strong Islamic Finance and Halal products ecosystem</td>
</tr>
<tr>
<td></td>
<td>• Competence</td>
<td>• Strong religious affilation</td>
</tr>
</tbody>
</table>

The table above explains that the application of low category sharia compliance is intended for countries that are not members of OIC and do not have a strong eco-tourism ecosystem. For the modest category, is for OIC countries whose ecosystems are halal tourism in moderate high. This is marked by a number of hotels that still serves and provides alcohol. As for the most advanced level, it is intended for OIC countries that already have a high ecosystem of halal tourism.

The application of sharia in moderate category in this research can be seen as follows:

**Figure 1**

Application of Sharia Hotel Medium / Moderate Category

Source: Dinar Standard in OIC Muslim Friendly Tourism Regulating Accomodation 2017

In this second category, it is explained that sharia hotels should at least contain and provide some elements and facilities below:
1) Staff with appropriate clothes  
2) Halal food  
3) Special food in Ramadan  
4) Mosque or prayer room  
5) Availability of tools for prayer  
6) Washroom for ablution inside the room  
7) Family entertainment  
8) Halal certificate  
9) No gambling  
10) No alcohol  
11) No midnight entertainment  
12) No adult tv channels, and filter for internet usage

C. The Concept of Customer Experience

Customer experience is an accumulation of all events realized by a customer (Thompson and Kolsky, 2009). According to Watkins [13], customer experience is understood as the embodiment of a brand that encompasses all interactions between organizations and customers [14]. In short, customer experience is a perception which is closely related to the purpose of a customer. In his research, Lemke et al. Formulated eight most important factors that can affect customer experience, among the eight factors are: helpfulness, value for time, customer recognition, promise fulfillment, problem solving, personalization, competence, and accessibility. The explanations of these factors are as follows [4°]:

a. Accessibility, the perceived convenience of customers in accessing and getting products and services offered;
b. Competence, the capability of the product and service providers to compete with other service providers and products;
c. Customer Recognition, the ability of service providers and products to recognize their customers;
d. Helpfulness, the simplicity provided by service providers and products to their customers;
e. Personalization, the convenience provided by service providers and products to their customers;
f. Problem solving, the ability of service providers and products to solve problems faced by customers;
g. Promise fulfillment, is the fulfillment of promises by service providers and products to their customers;
h. Value for Time, is the ability of service providers and products to ensure that their customer time is not wasted.

1. Customer Satisfaction

Customer satisfaction is a person's feelings of pleasure or disappointment as a result of comparing product performance and expectations [15]. Satisfaction can also be understood as consumer perceptions of the performance of goods and services with respect to expectations [16]. If the performance offered does not match the customer's expectations, then the customer will be dissatisfied. Satisfaction will arise if performance is in line with expectations.

Satisfaction can be analyzed as the relationship between sacrifice and the expected rewards, such as: time, cost, effort, and value received [17]. Therefore, Baker and Crompton [18] define satisfaction as a tourist's emotional state after traveling. The decision to take corrective action in a structured service is a decisive part in following up customer complaints from a failure that can increase consumer loyalty [19]. Customer satisfaction becomes a very important measure for a business to be sustainable.

Based on some studies, according to Oliver [17°] satisfaction is the loyalty builder that can be affected by a quality of service. The quality of these services can directly affect customer loyalty [4°], and can influence the level of customer loyalty indirectly through the medium of satisfaction [20].

2. Customer loyalty and Word of Mouth

According to Oliver, quoted by Kanaidi [21] explains that customer loyalty is a commitment to always persist in repurchasing or re-subscribing with products and services chosen consistently in the future, despite the influence of this situation and other marketing has the potential which could lead to changes in customer behavior. Another benefit of customer loyalty is that it can increase customer loyalty in terms of mouth to mouth communication or word of mouth. Similarly, according to Griffin [22] which explains that one characteristic of customer loyalty is the increase of positive word of mouth.

Word of mouth communication can lead to the exchange of comments, thoughts, or ideas among consumers or customers [23]. The Word of Mouth Marketing Association explains that word of mouth communication is an activity where consumers provide information about a brand or product to other consumers. Word of mouth is a conversation designed online and offline that has a lot of effect, non heirarchi, horizontal, and vertical.

3. Customer Experience, Satisfaction, and Loyalty

According to Lovelock (2011) there are two categories in service marketing: business-to-business (B2B) and the other is business-to-consumer (B2C). Both of these marketing types include marketing services such as communication services, financial services, car rental services, air travel, health services, professional services, and hospitality services. While in marketing services that refer to the consumer (B2C or Customer Behavior), there are three schemes, namely customer choice, customer experience, and postexperience evaluation [6°].

In its relationship with customer satisfaction, there is a study that has developed a model that connects customer experience, loyalty, and word of mouth communication. The results of this study indicate that a good customer
experience will result in loyalty and word of mouth communication, where loyalty can take care of consumers, while word-of-mouth communication is useful in expanding and acquiring new customers. Word of mouth can make consumers experiment with products. However, it cannot generate customer loyalty [24]. This model is in line with the research conducted by McNaughton et al. [25] explaining that customer satisfaction creates loyalty and word of mouth, both of which can have an impact on cash flow [11\(^{9}\)]. Furthermore, Gilmore and Pine (2002) in Kim et al. (2011) suggests that a business must move beyond goods and services to create an unforgettable experience for every consumer, since each consumer's experience is unique and individual [26].

In the hospitality business, focusing on the interests of customers or consumers is very important. This is as described by Freund (2003) who mentions that in order to track competitors (or to get ahead of them), the hospitality business must be completely focused on the guests or the needs of guests, the wishes and desires to make their hospitality service a true experience so guests do repeat business in the Hospitality Industry. In addition, many studies have suggested that consumers engage in various activities while choosing a shopping spot, spending decisions and post-expenditure stages, leading to a full experience to determine the level of satisfaction and repeat visits he or she would make. Thus, there is sufficient evidence that customer experience has a connection to sales, satisfaction, more frequent shopping visits, loyalty, profitability, word of mouth communication, and its formation [26]

III. RESEARCH FRAMEWORK

Customer experience, loyalty, and word of mouth have a good correlation [24\(^{9}\)]. The results of his research mentioned that a good customer experience can generate loyalty and word of mouth (communication by word of mouth). In this case loyalty can keep consumers, while word of mouth can help in the expansion and formation of new customers [26\(^{1}\)]. Based on that, the customer experience has a significant relationship to sales, satisfaction, more frequent shopping visits, loyalty, profitability, word of mouth communication, and image formation.

Sharia hotels are the hotels which run on the principles of sharia. A hotel can be categorized as sharia if it meets the sharia compliance that has been established. In this case, the Standard Dinar is also accommodated by The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation which divides it into 3 (three) categories. In this study, the author uses Shariah compliance standards issued by dinar standard which is also accommodated by OKI with medium category. One of the reasons for using this standard is to seek sharia hotels in Indonesia to refer to international standards as directed by the Minister of Tourism of the Republic of Indonesia to Indonesia to be the center of world halal tourism (Seminar Rembuk Republika, 2017). In addition, what is contained in this standard is also accommodated in the fatwa 108 / DSN-MUI / 2016. The most important thing for Muslim tourists, that the fulfillment of this element is an added value [27].

In addition to sharia compliance, other factors that affect customer satisfaction as described previously is customer experience. Thus, the framework of this research is as follows:

**Figure 2**
Framework

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Description: Customer Experience in Islamic perspective
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IV. HYPOTHESES

Based on the framework above, the model and hypothesis built in this research as follows:

Hypotheses 1: There is a positive and significant effect of sharia compliance on the satisfaction of Muslim tourists who visit the sharia hotels.

Hypotheses 2: There is a positive influence and significant helpfulness to the satisfaction of Muslim tourists who visit the sharia hotels.

Hypotheses 3: There is a positive influence and significant value for time on the satisfaction of Muslim tourists who visit the sharia hotels.

Hypotheses 4: There is a positive and significant influence customer recognition satisfaction Muslim tourists who visit the sharia hotels.

Hypotheses 5: There is a positive influence and significant promise fulfillment to the satisfaction of Muslim tourists who visit the sharia hotels.

Hypotheses 6: There is a positive and significant influence of interest in problem solving on the satisfaction of Muslim tourists who visit the sharia hotels.

Hypotheses 7: There is a positive influence and significant personalization to the satisfaction of Muslim tourists who visit the sharia hotels.

Hypotheses 8: There is a positive and significant influence on the satisfaction of Muslim tourists who visit the sharia hotels.

Hypotheses 9: There is a positive influence and significant accessibility of person / facility to the satisfaction of Muslim tourists who visit the sharia hotels.
Hypotheses 10: There is a positive influence and significant satisfaction on the loyalty of Muslim tourists who visit the sharia hotels.

V. METHODS

a. Sample and data

To test the hypothesis in this study, the survey was conducted in Indonesia, a country with a majority Muslim population. The sample area was in Lombok, West Nusa Tenggara, as one of the provinces set by the government as a halal tourism destination in Indonesia, with a simple random sampling technique. Over two hundred and five questionnaires were distributed with a total of 205 respondents. The questionnaires were addressed to Muslim aged from 17 years up to age 60 and have visited in one of sharia hotels in Lombok, West.

b. Measures

Based on the framework that formed, there are some variables that will be used in this study, namely: Customer Experience Islam Perspective and Visiting Satisfaction. This section will explain about the measurement techniques on these variables, which will also become the item statement or question in the questionnaire. The measurement scale used in each variable is 6 points Likert Scale (1 = strongly disagree; 6 = strongly agree).

In this study there are at least 10 variables, among which are as follows: Sharia compliance and customer experience (helpfulness, value for time, customer recognition, promise fulfillment, problem solving, personalization, competence, and accessibility) toward visiting satisfaction and Muslim tourists’ loyalty.

VI. RESULT AND DISCUSSION

a. Model Matching Test

Based on the table above, it can be seen that the value of Normed Chi Square (CMIN / DF) is 1.769, CMIN / DF is categorized as good fit if the value of CMIN / DF < 2.0 / 3.0, next the SRMR value is 0.066, this value is more than 0.05 but still below 0.08 so it is included in the category of marginal fit, as well as on the RFI value fall into the category of marginal fit because the value is less than 0.90 but still above 0.80.

Furthermore, NNNI, NFI, IFI, and CFI are all valued at ≥ 0.90, it indicates that everything can be categorized as good fit as well as its RMSEA value less than 0.08. Thus, overall it can be concluded that the overall SEM model (hybrid) which is measured indicates a good fit.

From structural form equation, we can see the value of R2 equation in that model. The value of R2 serves to show how much each exogenous variable is able to explain its endogenous variables, on the variable of PEM (Satisfaction) having R2 of 0.77, this figure indicates that sharia compliance variable and customer experience dimension (helpfulness, value for time, customer recognition, promise fulfillment, problem solving, personalization, competence, and accessibility) simultaneously affect 77% of satisfaction, while the rest is explained by other factors outside this study. Furthermore, loyalty has a value R2 of 0.50, which means the influence of satisfaction on loyalty by 50% while the rest is explained by other factors outside this study.

c. Direct Hypothesis Testing

As explained before, in this study there are 10 (ten) hypotheses on the direct effect. The test analysis of the hypothesis carried out on the research with a significance level of 5%, resulting in a critical t-value of ± 1.96. The hypothesis can be declared as acceptable if the t-value obtained ≥ 1.96, and the hypothesis is not supported if t-value obtained <1.96. Here is a table of hypothesis testing to answer the whole question in this study:

Table 3. Hypotheses Testing of Research Model H1-H10

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Exogenous</th>
<th>Endogenous</th>
<th>T-statistic</th>
<th>Coefficient</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Sharia compliance</td>
<td>Tourist Satisfaction</td>
<td>3.45</td>
<td>0.02</td>
<td>Significant</td>
</tr>
<tr>
<td>H2</td>
<td>Belonging</td>
<td>Visiting Satisfaction</td>
<td>3.05</td>
<td>0.02</td>
<td>Significant</td>
</tr>
<tr>
<td>H3</td>
<td>Value for time</td>
<td>tourist satisfaction</td>
<td>1.90</td>
<td>0.05</td>
<td>Significant</td>
</tr>
<tr>
<td>H4</td>
<td>Customer recognition</td>
<td>Visiting satisfaction</td>
<td>3.60</td>
<td>0.05</td>
<td>Significant</td>
</tr>
<tr>
<td>H5</td>
<td>Promise fulfillment</td>
<td>Visiting satisfaction</td>
<td>2.55</td>
<td>0.10</td>
<td>Significant</td>
</tr>
<tr>
<td>H6</td>
<td>Problem solving</td>
<td>Visiting satisfaction</td>
<td>1.34</td>
<td>0.05</td>
<td>Significant</td>
</tr>
<tr>
<td>H7</td>
<td>Personalization</td>
<td>Visiting satisfaction</td>
<td>2.42</td>
<td>0.02</td>
<td>Significant</td>
</tr>
<tr>
<td>H8</td>
<td>Competence</td>
<td>Visiting satisfaction</td>
<td>0.12</td>
<td>0.05</td>
<td>Not Significant</td>
</tr>
<tr>
<td>H9</td>
<td>Accessibility of person/facility</td>
<td>Visiting satisfaction</td>
<td>0.05</td>
<td>0.10</td>
<td>Not Significant</td>
</tr>
<tr>
<td>H10</td>
<td>Trust</td>
<td>Loyalty</td>
<td>3.17</td>
<td>0.05</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Author
compliance, helpfulness, customer recognition, promise fulfillment, and personalization, are variables that have a positive and significant impact on visiting satisfaction, where the value of each t-count on the hypothesis path is more than 1.96. The most influential factor on visiting satisfaction are the variable of helpfulness and customer recognition, where the highest coefficient of the path among others are 0.52 and 0.45. Likewise on the variable of visiting satisfaction that has a significant impact on the satisfaction of tourists who have t-value> 1.96.

d. Hypotheses Testing Mediation (Indirect Effect)

As explained in the previous chapter, in this study there are 9 (nine) hypothetical moderations by motivation variable. Analysis of hypothesis testing in this study was conducted with a significance level of 5%, resulting in a critical t-value of ± 1.96. Hypothesis is accepted if t-value obtained ≥ 1.96, while the hypothesis will not be supported if t-value obtained <1.96. The following is a table of hypothesis testing to answer the whole research question:

<table>
<thead>
<tr>
<th>KEP</th>
<th>LOY</th>
<th>PROM</th>
<th>ACC</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.23</td>
<td>0.18</td>
<td>0.01</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Based on the above LISREL output results, the data from the structural model, obtained by the result of output in the form of t-value (3rd row), the results shows that the visiting satisfaction variables can mediate the influence between sharia compliance variable, helpfulness, customer recognition, promise fulfillment, and personalization to the loyalty of tourists.

Limitation and Future Research

The result of this study are quite specific to Indonesia because the sample is only conducted in one of provinces in Indonesia. The authors hope that in the future the study can also be conducted in other provinces or in Muslim majority countries, such as Malaysia, Brunei and others. The author also believes that it is important to include factors or variables other than Islamic costumer experience to further improve the research and to gain a deeper understanding of the subject.

VII. CONCLUSION

Based on the result of this research, from 10 hypotheses contained in this study, there are 6 variables that are significant, such as sharia compliance, helpfulness, customer recognition, promise fulfillment, and personalization. Thus, the hotel needs to pay attention to these influential variables to improve customer satisfaction and loyalty. In the case of sharia compliance, the hotel should strive in providing the needs of Muslim tourists, such as halal food, prayer places, Qiblah direction, and so forth.

For helpfulness variables, the hotel should provide ease and responsiveness in resolving tourists or visitors. For customer recognition variable, the hotel should strive to give the good and friendly impression to tourists and hotel visitors. For the promise fulfillment variables, the hotel should really provide facilities in accordance with the offered both in advertising and in the hotel website, and for personalization variables, the hotel should strive to provide a calm and comfortable atmosphere to tourists. With that in mind, it is expected to become one of input and recommendation materials in developing the management of sharia hotels from the consumer side. Especially for the development of sharia hotels in the Lombok region which became the sample of research.

References