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## **THE EFFECT OF RELIGIOSITY, MUSLIM CUSTOMER PERCEIVED VALUE ON LOYALTY AND CUSTOMER SATISFACTION IN HALAL TOURISM IN INDONESIA**

**Reny Mustikawati<sup>1</sup>, Willy Arafah<sup>1</sup>, Tatik Mariyanti<sup>1</sup>**

<sup>1</sup> Islamic Economics and Finance, Trisakti University, Indonesia.

*Corresponding author: reny222021702007@std.trisakti.ac.id*

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### **ABSTRACT**

The increase in the cumulative growth of international visitors to Indonesia between 2014 and 2018 compared to the preceding five-year period indicated that the tourism industry in Indonesia had promising growth potential. However, due to disruption in 2020 and 2021 during Pandemic period, the pre-pandemic projection of 230 million arrivals by 2026 will now be reached in 2028. This study aimed to examine the impact of the Muslim Customer Perceived Value (MCPV) on customer loyalty through customer satisfaction as an intervening variable among Muslims. In addition, study the impact of the religiosity of Muslim customers on customer satisfaction and loyalty among Muslims, as well as the impact of customer satisfaction on customer loyalty among Muslims. This study makes use of SEM (Structural Equation Modeling) for its analysis. According to the results of the investigation, various variables, including religiosity, and customer satisfaction have a strong positive effect on the variable of customer loyalty. However, there is no effect on the Muslim customer perceived value and the loyalty of Muslim customers.

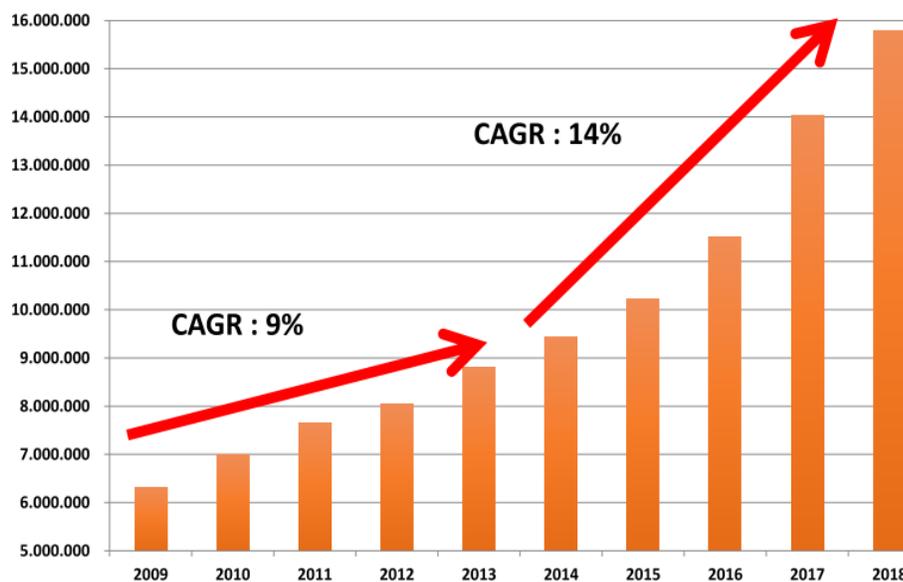
**Keywords:** Customer satisfaction, Customer loyalty, Muslim Customer Perceived Value (MCPV), Religiosity, SEM (*Structural Equation Modeling*), Halal tourism.

### **INTRODUCTION**

According to the Global Muslim Travel Index 2022 (MasterCard-Crescent Rating, 2022), an estimated 160 million Muslim travelers traveled worldwide in 2019. Despite the delay in 2020 and 2021, Muslim visitor arrivals are expected to reach 140 million in 2023 and return to the 2019 level of 160 million in 2024. The pre-pandemic projection of 230 million arrivals by 2026 will now be met in 2028, at an estimated cost of USD 225 billion. This recovery is fragile and could be slowed down by things like the

ongoing war in Ukraine, rising gas prices, and new health risks like monkeypox or COVID-19 variants.

There are several key drivers shaping the global halal travel market's sustainable growth, including 1) The Muslim population is expanding rapidly: Muslims are the world's fastest-growing religious community, accounting for one out of every four individuals. According to the Global Muslim Travel Index 2018, this amount will have climbed to 2.8 billion, or nearly one-third of the world's population, with the majority coming from the Asia Pacific region (MasterCard-Crescent Rating, 2018). Growing middle class: middle-class visitors are increasingly visiting Muslim-majority countries such as the Gulf countries, Indonesia, and Malaysia. 2) The expanding number of urban Muslims globally, as well as Muslim professionals from Western Europe and North America, will have a stronger economic impact on this large Muslim customer base. 3) Muslim Millennial Travelers (MMTs): Muslims, with an average age of 24 in 2015, have the youngest demography of any major religious community. With their distinct service requirements, today's millennial Muslims and young adults, some of whom have already turned to parents are shaping the future of tourism and hospitality. According to the MasterCard and Halal Trip (2017) in Muslim Millennial Travel Report (2017). Millennial Muslim travelers' spending will exceed \$100 billion by 2025. The total expenditure on Muslim travel is expected to reach \$300 billion by 2026. 4) Increase accessibility to travel information: According to MasterCard-Crescent Ratings' Muslim Digital Travel Report (2018), social media continues to play a key role for both young and old travelers. With AI rapidly gaining traction in presenting travel information specific to the needs of Muslim passengers in every destination, consumer attitudes and decisions will be greatly influenced by digital and human intelligence touch points. 5) Increase the availability of Muslim-friendly travel services and facilities: As the Muslim travel market grows, more businesses and destinations are joining the market to cater to the demands of Muslim travelers by adjusting their products and services. The next key stage is the capacity to strategically build new experiences to better differentiate products and services for Muslim travelers. The contribution of Indonesian tourism to Indonesia's GDP is currently at 6%, while it employs approximately 10.30% of the workforce (World Travel and Tourism Council ISEF, 2019).



**Figure 1.** *Number of International Tourists and CAGR 2009-2018*  
Source: Ministry of Tourism of the Republic of Indonesia

Based on research conducted by (Jaelani, 2017) halal tourism has contributed to economic

development in Indonesia, despite the fact that the global economy is slowing. Using a phenomenological approach, Jaelani's (2017) study concludes that halal tourism has become a component of the national tourism industry, positioning Indonesia as the future center of global halal tourism.

Various parties around the world have declared Indonesia as a country with enormous potential for halal tourism in terms of natural resources and the development of the halal industry from other sectors as its supporters. As a result, the Indonesian tourism industry must prepare extensively to make this happen (Mastercard-CrescentRating,2018). Furthermore, the Indonesian tourism sector contributes only about 6% to Indonesia's GDP but employs about 10.30% of the workforce. The tourism sector is also the least expensive to create jobs in, with only US\$ 3,000 required, as opposed to other sectors that require US\$ 5,000 to US\$ 100,000 (World Travel & Tourism Council ISEF, 2019).

Foreign tourist spending totaled approximately \$15.5 billion in 2018, significantly increasing Indonesia's foreign exchange reserves from January to March 2018, where generally winter in Europe in particular just ended in March, so a surge in tourists also occurred during that period (World Travel & Tourism Council ISEF, 2019). The increase in reserves for this division also helped to strengthen the Rupiah exchange rate during this time period. Tourism has the potential to surpass palm oil as the primary source of foreign money for the country (World Travel & Tourism Council ISEF, 2019). The increased cumulative growth of international tourists visiting Indonesia between 2014 and 2018 (14% CAGR) compared to the preceding five years (9% CAGR) demonstrates that the tourism industry in Indonesia has a bright future. However, there are difficulties in outlining how halal tourism should be promoted and identifying the characteristics that would influence the satisfaction and loyalty of Muslim customers. In the previous research, it is confirmed that religiosity moderates the relationship between Customer Perceived Value and Satisfaction in Halal Tourism. (Eid & El-Gohary, 2015; Eid, 2013). The relationship between tourism and religion has also been discussed in tourism literature. (Battour, Ismail, & Battor, 2011; Eid, 2013; Eid & El-Gohary, 2015; Henderson, 2011; Jafari & Scott, 2014).

Based on the description of the problem formulation above, the objectives of this study include:

1. To analyze whether the Muslim customer perceived value has an influence on Muslim customer satisfaction.
2. To analyze whether the Muslim customer perceived value has an influence on the loyalty of Muslim customers.
3. To analyze whether Religiosity of Muslim Customers has an influence on Muslim customer satisfaction.
4. To analyze whether Religiosity of Muslim Customers has an influence on Loyalty of Muslim Customers.
5. To analyze whether Muslim customer satisfaction has an influence on Loyalty of Muslim Customers.

## **LITERATURE REVIEW**

### **Muslim Customer Perceived Value (MCPV)**

Many studies have grown interested in customer perceived value in the hotel and tourist industries. Several studies have viewed perceptual value as two important components of consumer behavior (functional value): the advantages obtained (economic, social, and relational) and the sacrifices made by the customer (value for money, time, effort, risk, and convenience) (Cronin, et al., 1997; Oh, 2003) .

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(functional value): the advantages obtained (economic, social, and relational) and the sacrifices made by the customer (cost, time, effort, danger, and convenience) (Cronin, et al., 1997; Oh, 2003). Muslims are also obligated by Islamic teaching not to ingest prohibited substances and indulgences (Hashim, et al., 2007).

Moreover, Sharia rules prohibit adultery, gambling, the use of pork and other Haram (prohibited) foods, drinking, and unsuitable dress (Zamani-Farahani and Henderson, 2010). Two implications from the preceding discussion can be introduced here to aid in the creation of an effective MCPV measurement scale. First, regard perception value simply as a cognitive variable; the emotional component must also be taken into account. Second, Muslim tourists evaluate not just traditional values (cognitive and emotional components), but also religious identity characteristics that contribute to creation values. This overarching vision serves as the foundation for the multidimensionality approach to Muslim customer value perception. Infrastructure, communication, environment, Islamic facilities, and halal certification can all influence Muslim customers' perceptions of value.

### **Religiosity in Tourism**

Religious and spiritual tourism has been widespread and popular in recent decades, accounting for a sizable portion of worldwide tourism and rapidly expanding in recent years. Religious perspectives on tourism and purchasing decisions are preferred over other variables (Eid, R., & El-Gohary, H, 2015; Gardiner, King & Grace, 2013). This market segment's consistent rise has become a global tourist industry trend. Religious travel's appeal is not a new phenomenon. Religious travel has long been viewed as the oldest kind of commercial travel.

### **Customer Satisfaction**

Customer satisfaction, according to Gutiérrez and Rodríguez-del-Bosque (2008), is not just cognitive but also emotional. According to Ekinçi et al (2008) and Nam et al (2011), there are at least two general formulations of satisfaction: momentary (transaction-specific) satisfaction and cumulative (or overall) satisfaction. Temporary satisfaction is the consequence of evaluating the activities and behaviors of a single service engagement (Oliver, 2010). This concept implies that satisfaction must be measured immediately following each service encounter with service providers (e.g., satisfaction with specific employees) (Nam et al., 2011). Overall satisfaction, meanwhile, is considered as an evaluation of the most recent purchase opportunity and is based on all encounters with service providers (Ekinçi et al., 2008; Nam et al., 2011). Transaction-specific pleasure varies based on direct experience of the event, whereas overall satisfaction is a generally stable moving average that most closely represents our overall attitude when we purchase a particular brand.

### **Customer Loyalty**

Customer satisfaction is the most important characteristic of a loyal consumer. In the marketing literature, it has been defined and operationalized in a number of ways (Oliver, 2014), with three components of satisfaction proposed: cognitive, emotional, and conative. The latter employs repetition. Moreover, intention to return is strongly related to certain other satisfaction outcomes. Despite the abundance of research on consumer loyalty, it has been looked at from two viewpoints: behavioral loyalty and attitudinal loyalty (e.g., Dick and Basu, 1994; Nam et al., 2011). The percentage of recurring purchases is used to describe loyalty behavior. This refers to the psychological decisions taken by purchasers all across the shopping process, including the purpose to buy and the intention to suggest, without taking actual repeat purchase behavior into account (Jacoby, 1971; Jarvis and Wilcox, 1976).

## Conceptual Framework

Based on the literature review, a research model to describe the relationship of the factors that can influence decision making in the selection of Halal Tourism can be presented. In order to develop Halal Tourism optimally, a strategy and priority of tourism types are required, which are the mainstay and trademark of Indonesia, which has a long history of Islam's entry as well as a wealth of natural resources not owned by other countries (Suhartanto D., Brien, A., Primiana, I., 2020). Figure 2 depicts the SEM structural equation model used in this study; using Figure 2, the research hypothesis is obtained as follows:

### Hypothesis 1

H1: The Muslim customer perceived value affects loyalty of Muslim customers

### Hypothesis 2

H1: The Muslim customer perceived value affects loyalty of Muslim customers through customer satisfaction

### Hypothesis 3

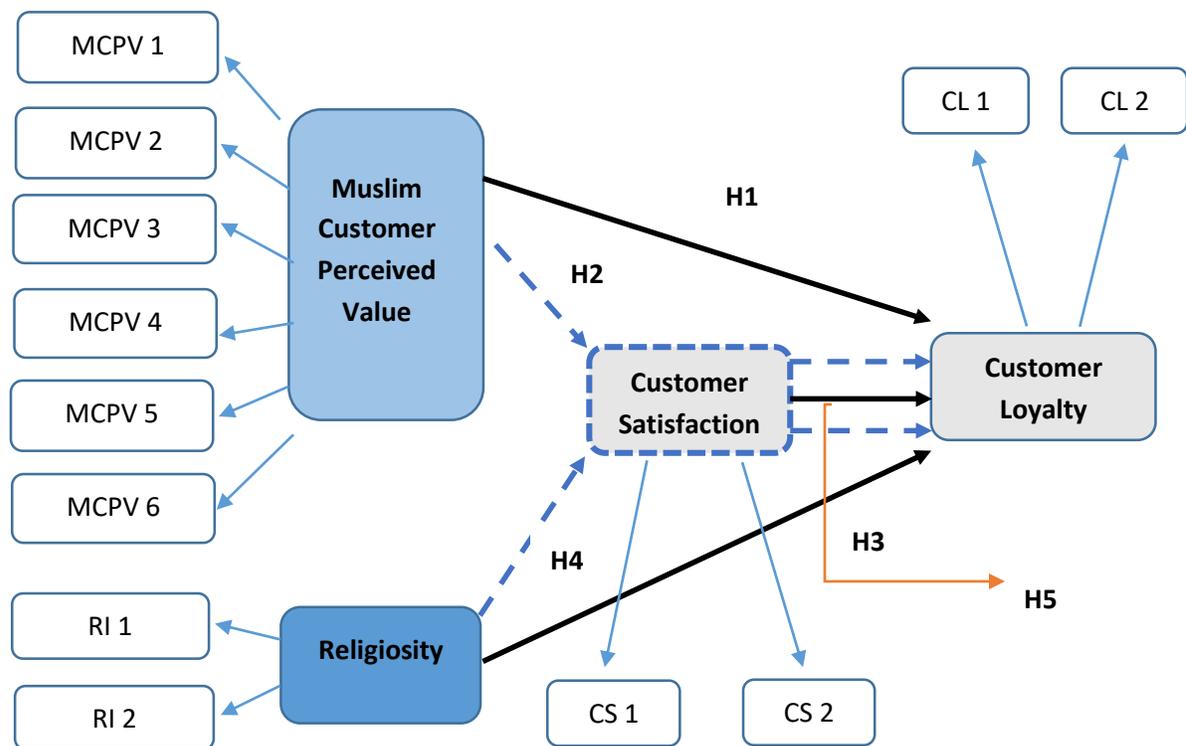
H1: The religiosity affects the loyalty of Muslim customers

### Hypothesis 4

H1: The religiosity affects loyalty of Muslim customers through customer satisfaction

### Hypothesis 5

H1: Muslim customer satisfaction affects loyalty of Muslim customers



**Figure 2.** Research Model the relationship between Religiosity, Muslim Customer Perceived Value (MCPV), Customer Loyalty and Customer Satisfaction

## Research Model Description:

- MCPV 1: Quality Value
- MCPV 2: Value for Money
- MCPV 3: Emotional Values
- MCPV 4: Social Value
- MCPV 5: Islamic Physical Attributes
- MCPV 6: Islamic Non-Physical Attributes
- RI 1: Islamic Faith
- RI 2: Carrying out the Pillars of Islam
- CS 1: Transaction-specific satisfaction
- CS 2: Overall satisfaction
- CL 1: Repurchase
- CL 2: Recommendation

## RESEARCH METHODS

This research is hypothesis testing research, which means that it aims to test hypotheses derived from available theories and previous research, and it will discuss the effect of religiosity and Muslim customer perceived value on loyalty with customer satisfaction as a mediation variable. There will be five hypotheses for Halal tourism in Indonesia. This research will involve independent variables Muslim Customer Perceived Value with quality value, money value, social value, emotional value, physical attribute value and non-physical attribute value as the dimensions. Another independent variable is Religiosity with Islamic faith and carrying out the pillars of Islam as the dimensions. The dependent variable that will be Customer Loyalty with repurchase and recommendation as the dimensions, while the customer satisfaction variable will be a moderating variable in the relationship between Muslim customer perceived value, religiosity and customer loyalty.

133 respondents who are Indonesian citizens between the ages of 18 and 50 who use travel services are participating in this study. The result shows 51% respondents are female and 49% are male, with majority are at age 35-50 years old. Level education of the respondents are 43% undergraduate and 48% postgraduate. The questionnaire includes questions about the variables being studied. In addition to primary data from the questionnaire, secondary data is used in this study to determine the research model, process data, and draw conclusions. Secondary data were gathered from previous studies, which were summarized in a number of official journals and books relevant to this study.

In this study, indicator variables were measured on a Likert scale ranging from 1 to 5. This study employed a purposive sampling method, that is, sampling with specific considerations aimed at increasing the representativeness of the data obtained. SEM's rule of thumb was used for sampling (Structural Equation Modeling). The overall indicator variables that comprise the SEM model in this study have 50 attributes per statement/item. To create a complete model, several SEM steps were taken, namely: 1) Conception of a theoretical model. The first step in developing a SEM model is to find or create a model with strong theoretical justification (Ferdinand, 2000). 2) The creation of trajectory diagrams to assist researchers in visualizing causality relationships to be tested. Flowcharts depict relationships between constructs using arrows. Figure 2 depicts the trajectory diagram used in the study.

## RESULTS AND DISCUSSION

The measurement model is evaluated for each latent variable by examining the construct's validity and reliability. Validity is a tool for measuring a measurement truth. Using construct validity, the assessment of validity in SEM shows that the instrument used is able to measure the idea as specified by the theory. Measuring reliability demonstrates that the measuring instrument is objective, ensuring that measurements are constant over time.

Table 1 shows that all indicator variables match the validity standards and have a t-value larger than 1.96. This means that all indicator variables can be used to measure the latent construct. However, some

indicator variables have mismatched loading factors and t-values. This means the indicator variable has no effect. Following the validity study, the model's consistency is determined by executing a reliability test and determining the values of CR (Construct Reliability) and VE (Variance Extracted). A variable is said to be fairly consistent if it has a CR value of 0.70 and a VE value of 0.50.

Table 1  
*SEM Validity Test*

| Variable                               | Indicator Variables | Loading Factor | t-value (1.96) | Validity |
|--|---------------------|----------------|----------------|----------|
| Muslim Customer Perceived Value (MCPV) | MCPV 1              | 0.87           | 12.23          | Valid    |
|  | MCPV 2              | 0.93           | 13.65          | Valid    |
|  | MCPV 3              | 0.96           | 14.53          | Valid    |
|  | MCPV 4              | 0.18           | 1.97           | Valid    |
|  | MCPV 5              | 0.69           | 8.79           | Valid    |
|  | MCPV 6              | 0.57           | 6.83           | Valid    |
| Religiosity (RI)                       | RI 1                | 0.59           | 4.86           | Valid    |
|  | RI 2                | 1.09           | 6.83           | Valid    |
| Customer Satisfaction                  | CS 1                | 0.86           |                | Valid    |
|  | CS 2                | 0.96           | 12.34          | Valid    |
| Customer Loyalty                       | CL 1                | 0.97           |                | Valid    |
|  | CL 2                | 0.97           | 20.76          | Valid    |

Based on the results of the model reliability test in Table 2, the overall reliability test was deemed satisfactory. As a result, it is possible to conclude that the indicators employed in this study are capable of consistently measuring the latent construct.

Table 2.  
*SEM Variable and Reliability Test*

| Variable                               | CR (0.7) | Information      | VE (0.5) | Information      |
|--|----------|------------------|----------|------------------|
| Muslim Customer Perceived Value (MCPV) | 0.886    | Good reliability | 0.631    | Good reliability |
| Religiosity (RI)                       | 0.859    | Good reliability | 0.768    | Good reliability |
| Customer Satisfaction (CS)             | 0.907    | Good reliability | 0.831    | Good reliability |
| Customers Loyalty (CL)                 | 0.970    | Good reliability | 0.941    | Good reliability |

### Overall Model Fit Test

The Goodness of Fit (GoF) measure shows the overall structural model fit test. A measurement model is said to be fit with the data if it can estimate the data covariance matrix. The size of chi-square ( $\chi^2$ )/df  $\leq$  3 indicates the size of the fit. The processed data revealed that chi-squared ( $\chi^2$ )/df = 1.744. This means that the measurement model is correct (very good). The CFI value is greater than 0.90, the P-count statistic chi-squared generated by the model is less than or equal to 0.05, and the RMSEA value is less than 0.08.

Table 3.  
The results of the overall model fit criteria

| GOF                                | Cut off Value  | Research Result Value | Information  |
|------------------------------------|--|-----------------------|--------------|
| <i>Chi</i> -square ( $\chi^2$ )    | Preferably smaller than Df   | 74.48                 |              |
| df                                 |  | 48                    |              |
|                                    | 3  |                       |              |
| <i>Chi</i> -square ( $\chi^2$ )/df | 2:1 (Tabachnik and Fidell 2007) and 3:1 (Kline 2005)   | 1.552                 | Good fit     |
| <i>Probability</i> (P -value )     | $\geq 0.05$  | 0.00849               |              |
|                                    | Good models have a small RMR (Tabachnik and Fidell 2007), 0.05 or 0.08 (Hair <i>et al.</i> 2007) |                       |              |
| RMR                                |  | 0.0692                | Good fit     |
| RMSEA                              | $\leq 0.08$  | 0.075                 | Good fit     |
| GFI                                | $\geq 0.90$  | 0.889                 | Good fit     |
| AGFI                               | $\geq 0.90$  | 0.819                 | Marginal fit |
| CFI                                | 0.90   | 0.978                 | Good fit     |
| NFI                                | 0.90   | 0.951                 | Good fit     |
| NNFI                               | 0.90   | 0.97                  | Good fit     |
| RFI                                | 0.90   | 0.932                 | Good fit     |
| IFI                                | 0.90   | 0.979                 | Good fit     |

According to Table 3, the most of the model compatibility criteria have been met. This indicates that the model generated in the study is of excellent quality.

### Structural Model Analysis

In SEM, a structural model is a model that connects latent variables (exogenous latent and endogenous latent). Table 4 shows the results of hypothesis testing for the structural model in this study. According to the results in Table 4, Muslim Customer Perceived Value (MCPV) variable has no effect on loyalty of Muslim customers because the t-value is 1.04 1.96 with a 5% significance level, indicating that Hypothesis 1 is not proven. There is no effect of Muslim Customer Perceived Value (MCPV) on loyalty of Muslim customers, indicating that regardless of how good the service is, customer perceptions will not affect their loyalty. These findings are consistent with the findings of Salma and Ratnasari (2015), who discovered that service quality from an Islamic perspective had no significant influence on loyalty of Muslim customers. According to Aryani and Rosinta (2011), loyalty of Muslim customers is formed through service quality and customer satisfaction, so the effect of service quality and loyalty of Muslim customers is insignificant.

According to the results of the indirect influence analysis, the variable Muslim Customer Perceived Value influences loyalty of Muslim customers through customer satisfaction, with a t-value of MCPV to CS of  $7.61 > 1.96$  at the 5% significance level and a t-value of CS to CL of  $3.42 > 1.96$  at the 5% significance level, thereby proving hypothesis 2. Therefore, raising the perceived value of one unit among Muslim customers through customer satisfaction enhances loyalty of Muslim customers by 0.395 units.

The results of the analysis indicate that religiosity affects loyalty of Muslim customers because the t-value is greater than 1.96 at a significance level of 5%. Therefore, hypothesis 3 is proven. The effect of religiosity on loyalty is due to the fact that religiosity can be used as a measure of personality and morality, which have a significant value on attitudes toward the chosen product or service. According

to the research of Eid and El-Gohary (2015), the presence of religiosity can increase the cognitive and effective components of the relationship. Similarly, study by Haryanto et al. (2019) indicates that patients with a high level of religiosity can strengthen the link between service quality and patient loyalty. Setiawan and Hussein (2013) demonstrate that religiosity and loyalty are related. Because sharia compliance is what keeps customers loyal to sharia-compliant products (religious motive).

The results of the indirect influence analysis indicate that customer religiosity influences loyalty of Muslim customers via customer satisfaction, with a t-value of RI to CS of  $2.24 > 1.96$ , 5% significant level, and a t-value of CS to CL of  $3.42 > 1.96$ , 5% significance level, proving hypothesis 4. Religiosity is the practice of religious teachings that have an impact on trust and is carried out in accordance with sharia principles or Islamic law; this explains the relationship between religiosity and satisfaction. Where trust is a determinant of consumer commitment, establishing trust will have an effect on loyalty of Muslim customers (Aji et al., 2020).

Furthermore, the results of the analysis show that customer happiness influences Muslim customer loyalty because the t-value is greater than 1.96 at a significance level of 5%. As a result, hypothesis 5 is proven. The influence of customer satisfaction on Muslim customer loyalty is consistent with Mardikawati and Farida's findings (2013), who found that customer satisfaction consists of expectations and performance or perception results. In line with the research of Mardikawati and Farida (2013), in which it is explained that customer satisfaction consists of expectations and perceptions of performance or results, it is intended that achieving customer satisfaction will result in long-term loyalty of Muslim customers. Thus, customer satisfaction will influence loyalty of Muslim customers.

While the outcomes of testing hypotheses are shown in Table 4, four of the five hypotheses are accepted. Hypothesis 1 is the unaccepted hypothesis (MCPV against CL). The phase of testing the hypothesis in this study is to compare the value of t-value to t-table at a confidence level of alpha 0.05, which is 1.96. If the value of t-value is greater than t-table, the hypothesis is accepted with the following calculations:

Table 4.  
*Hypothesis Testing Results*

| Hypothesis | Path (Relationship)                    | Score<br>t count<br>( $\geq 1.96$ )                    | Influence |                                |               | Conclusion |
|------------|--|--|-----------|--------------------------------|---------------|------------|
|            |  |  | Direct    | Indirect                       | Total         |            |
| H1         | MCPV $\rightarrow$ CL                  | 1.04   | 0.15      |                                | 0.15          | Rejected   |
| H2         | MCPV $\rightarrow$ CS $\rightarrow$ CL | NPPM $\rightarrow$ KP=7.61<br>KP $\rightarrow$ LP=3.42 |           | $0.76 \times 0.52 =$<br>0.3952 | 0.3952        | Accepted   |
| H3         | RI $\rightarrow$ CL                    | 2.52   | 0.21      |                                | 0.21          | Accepted   |
| H4         | RI $\rightarrow$ CS $\rightarrow$ CL   | RI $\rightarrow$ KP=2.24<br>KP $\rightarrow$ LP=3.42   |           | $0.16 \times 0.52 =$<br>0.0832 | 0.0832        | Accepted   |
| H5         | CS $\rightarrow$ CL                    | 3.42   | 0.52      |                                | 0.52          | Accepted   |
|            |  |  |           |                                | <b>1.3584</b> |            |

### **Result of Indirect Influence (Mediation Effect)**

Further testing is required for the indirect effect, as well as for hypotheses 2 and 4. In cases where Table 5 describes the value of the indirect effect.

Table 5.  
Indirect Effect Hypothesis Testing Results

| Hypothesis | Path (Relationship)                    | Score<br>t count<br>( $\geq 1.96$ )                    | Influence        |        | Hypothesis<br>Conclusion |
|------------|--|--|------------------|--------|--------------------------|
|            |  |  | Indirect         | Total  |                          |
| H2 _       | MCPV $\rightarrow$ CS $\rightarrow$ CL | MCPV $\rightarrow$ CS=7.61<br>CS $\rightarrow$ CL=3.42 | 0.76x0.52=0.3952 | 0.3952 | Accepted                 |
| H4         | RI $\rightarrow$ CS $\rightarrow$ CL   | RI $\rightarrow$ CS=2.24<br>KP $\rightarrow$ CL=3.42   | 0.16x0.52=0.0832 | 0.0832 | Accepted                 |

The test results using the Sobel test show that **the indirect effect of Muslim Customer Perceived Value (MCPV) on Customer Loyalty (CL) through Customer Satisfaction (CS) is significant.** It is apparent from the Sobel Test output that the p - value is 0.00181 < 0.05 (t-value 5%), p- value The Aroian test (0.00195) and the Goodman p- value test (0.00167) showed a number smaller than alpha = 5%. Based on this result, it is concluded that Customer Satisfaction (CS) mediates the relationship between the Muslim Customer Perceived Value (MCPV) on Customer Loyalty (CL) so that these results show a mediation effect called full mediation.

Furthermore, the test results using the Sobel test show that **the indirect effect of Religiosity (RI) on Customer Loyalty (CL) through Customer Satisfaction (CS) is not significant.** It can be seen in the output of the Sobel Test, it is known that the p - value is 0.06095 > 0.05 (t-value 5%), p- value Aroian test (0.0687) and p- value Goodman test (0.0532) showed a number greater than alpha = 5%. As a result, it is possible to conclude that Customer Satisfaction (CS) has no mediation effects on the relationship between Religiosity (RI) and Customer Loyalty of Muslim customers (CL)

According to the study framework, a structural model is subsequently constructed based on the outcomes of processing the variables. The graphic illustrates the extent of the relationship between variables and their significance.

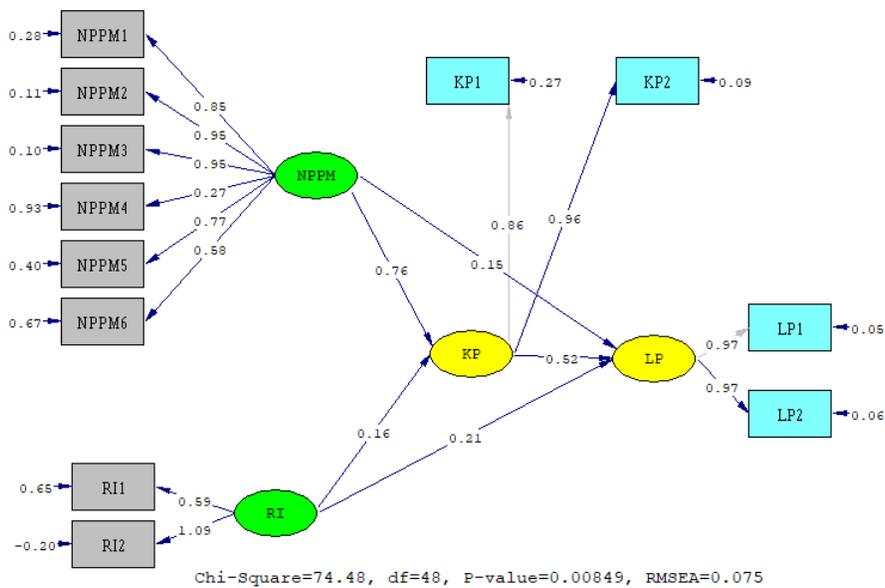


Figure 3. Output Standardized Solution SEM Lisrel 8.80 Model 1

It is known that the SLF values of some variables met the standards, with a t-value of 1.96 (actual level of 5%), indicating that these variables are statistically significant. The total model has strong construct dependability with a CR and VE of 96.2% and 70.8%, respectively, where the values of CR and VE have met or been certified valid.

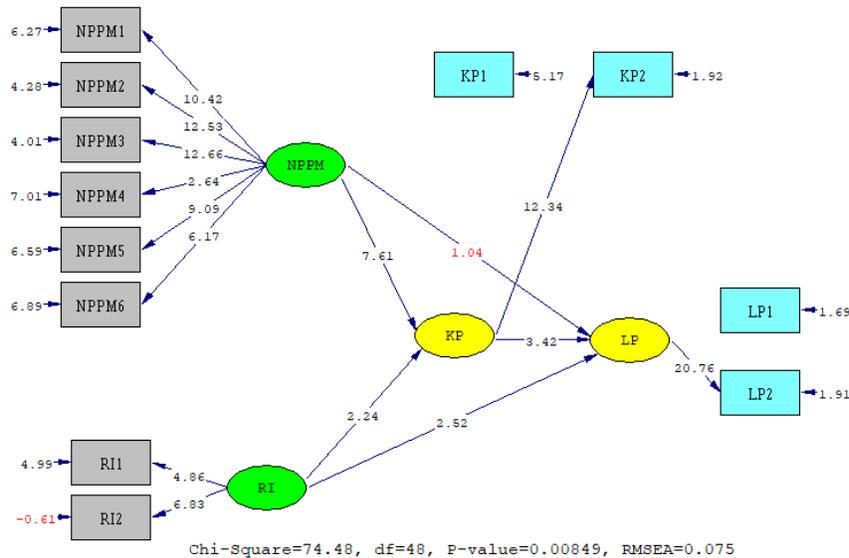


Figure 4. Output t-value SEM Lisrel 8.80 Model 1

## CONCLUSION

Following data collection and processing, as well as subsequent analysis, the following conclusion can be reached: Muslim Customer Perceived Value (MCPV) has no significant effect on Muslim customer loyalty; however, customer satisfaction has an effect on Muslim customer loyalty. While we examine the relationship between Muslim customer religiosity and loyalty through customer satisfaction, we can observe that it still has an impact on loyalty, but the effect is less. In the meantime, research has demonstrated that a customer's level of satisfaction influences their customer loyalty. The significance test showed that there was a significant indirect effect between the perceived value of Muslim customers and their loyalty through customer satisfaction, but there was no significant indirect effect between their religiosity and their loyalty through customer satisfaction.

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