

## **CUSTOMER ATTITUDE AND INTENTION TOWARD SHARIA-COMPLIANT HOTELS**

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### **ABSTRACT**

The purpose of this study is to investigate the effect of customer attitude on costumer intention toward sharia-compliant hotels that serve customers creatively, based on sharia principles. The dimensions of the customer attitude variable are customer attitude toward hotel operating, hotel designs, and hotel finance. Convenience sampling was used on 183 hotel costumers. Data were collected by questionnaire and analyzed by partial least square. The results of the study show that customer attitude toward hotel operating, hotel design, and hotel finance influenced customer intention toward sharia-compliant hotels positively and significantly. Such a moderate effect of customer attitude to their intention indicated that other factors that might affect customer intention, such as price and hotel location.

*Keywords:* Customer, Attitude, Intention, Sharia-compliance.

**JEL Classification:** L83; L29; D12; Z12.

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## I. INTRODUCTION

### 1.1. Background

Indonesia as one of tourist destination country was ranked at 20th tourist destination country in 2017 with 8 percent of GDP from the tourist industry. In 2016, 12.02 million foreign tourists visited Indonesia, and the prediction was 20 million visitors in 2019. Malaysia, China, Singapore, East Timor, and Australia are among the top foreign visitors to Indonesia [CITATION Bad18 \l 1057]

In addition to international tourists, domestic visitors are also important in the tourist industry. Pratomo (2017) stated that visitors have some reasons to travel in their own country, including vacation, recreation, sport, or business. Visitors visit their relatives, attend meetings or conferences, or travel for religious or health reasons.

Both foreign and domestic tourists need hotels to stay during their visits. Consequently, such economic activities encourage the growth of hotel industries. Table 1 presents increasing number of hotel accommodations, bedrooms and the number of beds in Indonesia (insert table 1)

Table 1 pinpoints the increasing number of hotel services provided from 2014 to 2018. The number of hotel accommodations grew from 2016 to 2017 significantly up to 588% [CITATION BPS17 \l 1057]. In 2018, the number of hotel accommodation increased 60% in 2017. Such a significant rise serves as a response to the increasing number of hotel guests.

Unfortunately, the hotels still pay little attention to the needs of Muslim tourists, who come from either Muslim or non-Muslim countries. Muslim tourists need sharia-compliant hotels that is comfortable for both Muslim and non-Muslim guests. Sharia-compliant hotels facilitate Muslim guests to perform their religious duties [CITATION Nur17 \l 1057]. For example, Muslim guests must perform prayer five times a day and consume halal food. Muslim guests want hotels to provide prayer mats and qiblah direction in each guest room. Furthermore, Muslim guests need a division between women and men, especially for health and recreation areas [CITATION Zaf15 \l 1057].

Sharia-complaint hotels have emerged and spread in several major cities in Indonesia. Unfortunately, there is no official data about the number of sharia-compliant hotels. Several hotels still claim that they are sharia-compliant hotels [CITATION Sal14 \l 1057], but there are no legal or official certifications from the authorities.

In spite of that, the hotels advertise that they operate under the sharia principles. Some hotel guests are interested in staying in this type of hotels, making it one of the factors influencing the customer intention.

Theory of Planned Behavior defines intention as “a central factor to perform a given behavior”. Intention can be influenced by several factors. Intention indicates people’s willing to try or great effort to perform behavior [CITATION Ajz91 \l 1057]. Many studies described that intention are the best predictors of behavior and fully mediate the impact of attitudes, subjective norms, and perceived behavioral (Maichum et al., 2016).

Some researchers have studied about intentions. To illustrate, Johan et al. (2017) examined customer’s intention of sharia credit card. They examined attitude, subjective norm, perceive behavioral control, religiosity, and knowledge and

sharia-compliant to measure intention. The results of the study show that attitude, perceive behavior control and sharia-compliant can be proved affected customers intentions to use sharia credit card. Nevertheless, subjective norms, religiosity and knowledge have no significant effect on using sharia credit card.

Many other researchers are interested in studying intention. For instance, Herdjiono, Puspa, Maulany & Aldy (2017) were interested in intention. They focused on entrepreneurship intention. Self-concept, family environment, motivation and risk-taking propensity were chosen as independent variables. They concluded that self-concept, family environment, and motivation could be proved affected entrepreneurship intention.

On the other hand, Ramayah et al. (2004) investigated beliefs and attitude of customers when selecting infant food formula. They investigated mothers in Malaysia. By implementing Theory of Reasoned Action, they found that attitude influenced behavior in the second level.

Sharia-compliant hotel is a new concept for hotels in Indonesia. Such a hotel concept is still unusual and not familiarly applied in Indonesia, even though most people in Indonesia are Muslim. To encourage investment passion to build sharia-compliant hotel, it is very important to examine sharia-compliant hotel intention. Measuring customer intention toward sharia-compliant hotel is expected to explore new knowledge about this hotel concept and accommodate new marketing innovation strategies for hotel and tourism development.

## **1.2. Objective**

This study aims to investigate the influence of customer's attitude on their intention toward sharia-compliant hotel.

## **II. LITERATURE REVIEW**

### **2.1. Background Theory**

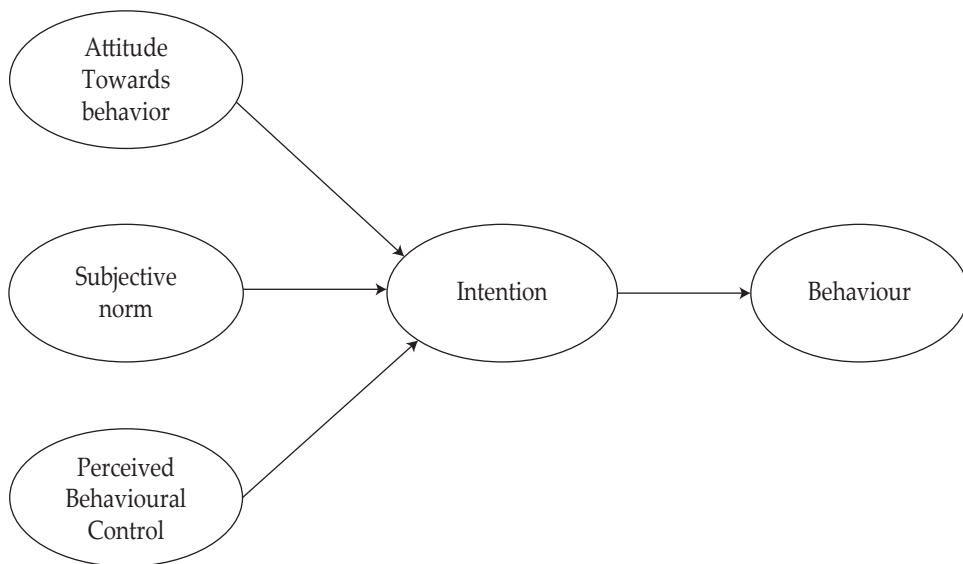
#### **2.1.1. Theory of Planned Behavior**

The theory of planned behavior was first developed by Ajzen (1985). This is a recommended theory to explain and describe intention as the central factor. Ajzen, (1991) stated that voluntary human behavior is started by intention. It composed of motivational factors that indicated how hard people want to try or how much effort they plan to perform a behavior (Maichum et al., 2016).

Furthermore, Cohen & Levesque (1990) explained that intention is analyzed differently from other mental states such as belief and knowledge. The meaning of belief and knowledge is usually considered in the form of propositions, while the contents of an intention are typically as an action. They modeled intention as a composite of concept about choice and commitment to the choice.

Intention can be predicted accurately (Ajzen, 1991). It can be determined three major determinations (Ajzen, 1991, Yakasai & Jusoh, 2015). The first determination is attitude toward behavior that defined as an interaction of memory between a given object and appraisal of the object (Maichum et al. 2016). It tends to state the psychological assessment on a product and reveal as major role in predicting intention.

**Figure1.**  
**Organisation Behavior and Human Decision Process.**



Source: Ajzen (1991)

The second determination is subjective norms. They refer to social pressures on individuals to perform behavior or not to perform a certain behavior (Nor, Shanab, & Pearson, 2008). Social pressures come from an important person or group of people that approve and support a particular behavior. Ham, Jeger, & Ivković (2015) divided subjective norms in two area, descriptive norms and social norms. They explained that descriptive norms represent to real activities and behavior that others are performing, while social norms represent to other opinions about what people should behave.

The last determination is perceived behavior control. It is defined as perception of how easy or difficult an action to perform a subject [CITATION Leo99 \l 1057]. In other words, Ham et al. (2015) explained Perceive behavior control as locus of control and self-efficacy. Therefore, it is considered as the presence of important resources and opportunities for a certain behavior and is affected by a number of factors, such as previous experience or other perceptions that can increase or decrease perceive level of possibility of the behavior.

### 2.1.2. Attitudes

The influence of attitudes toward the behavior, subjective norms and perceive behavior control on intention are expected to vary across situations. In some application, may be only attitude has impact on intention. However, in other situation, attitudes and subjective norms have impact on intention, or three predictors give impact on intention.

Krasniqi & Krasniqi (2014) defined attitude as organization of continuous process, perception, emotional and cognitive about something in the environment. Attitude is formed as a direct experience result about the product with the product information they received. They described that attitude consist of three elements. Those elements are knowledge, emotional and behavioral.

Furthermore, Krasniqi & Krasniqi (2014) explained that knowledge consists of consumer confidence of product or service. Knowledge and consumer perception manifest in the form of consumer belief. Attitude toward the behavior develops from people beliefs about the object of the attitude. People form beliefs about the object by relating it with certain attributes, such as with other objects, events or characteristics of the objects. Therefore, the foundation of attitude can be explored by one's beliefs about the object.

### **2.1.3 Sharia-compliant Hotels**

A hotel is defined as an operation that provides overnight accommodations, food and drinks for temporary residents at the hotel [CITATION Sah11 \l 1057]. Eshetie, Seyoum, & Ali (2016) revealed that hotel also consists restaurant, cafes and catering. Hotel can offer additional services in order to satisfy hotels guests such as spa [CITATION Kar14 \l 1057].

A company, including a hotel must have an identity. For Muslims, the ideal identity of a company is Islamic identity (Said, Daud, Radjeman, & Ismail, 2013). Hotels that use Islamic identity can be called to be sharia-compliant hotel. This hotel is a unique hotel that gives innovative and creative service to capture Muslim visitors (Majid, Talaa, Zulkifli, Talaat, & Yahaya, 2016). Hotel management must obey sharia principles in its operations.

Sharia compliant hotel is a hotel that offers services under Sharia principles (Shamim, 2009). It serves halal food and drinks. The hotel management does not only offer halal food and drinks, but also arrange sharia hotel operations, sharia hotel design and sharia hotel financial resources.

## **2.2. Previous Study**

Plenty of studies investigate the determinant of customer intention. Some of the studies will be discussed here. Budiman (2012) has studied the effect of attitude on purchase intention of counterfeiting bag product in Indonesia. In this study, intention to buy is measured using five indicators. The indicators are 1) choosing a product, 2) desire to buy, 3) recommend to friends and relatives, 4) tell your favorite things about the product, 5) think about the product. The results of this study show that customer attitude strengthen purchase intention on that product. On the other hand, higher status further weakens purchase intention on it.

Pakistan researchers have investigated customer intention toward halal cosmetics. Their objective in this research is to check relationship between awareness, religious belief and halal product certification to customer intention toward halal cosmetic. They distributed 300 questionnaires to female respondents in Pakistan. The result of this research stated that three independent variables, awareness, religious belief and halal product certification influenced customer intention toward halal cosmetics [CITATION Maj15 \1 1057]

Research about intention is also conducted to sharia mutual fund in Indonesia. Researchers chose 164 sharia bank customers as respondent. They determined SEM-Partial Least Square to analyze the model. They explained that customer attitude, which measured by knowledge and religiosity, have no effect on customer's intentions (Octarina, Hartoyo, & Beik, 2019).

From the earlier studies, customer attitude have difference effect on their intention. In one situation, there are positive effects of customer attitudes on customer intention (Majid et al. 2016, Budiman, 2012). On the other situation there are negative effect (Budiman, 2012) or have no effect (Octarina et al., 2019) of customers attitudes and intervening variable on purchase intention. Empirical study about customer intention on sharia-compliant hotel is rarely found.

Some researchers have investigated customer attitude toward a product. Alibabic et al., (2011) examined consumer attitude toward food product in Bosnia and Herzegovina. This study observed consumer attitude concerning product quality, origin and light of label. The result of that study stated that most of consumers decided to purchase food product because of the product quality. However, their perception about quality is not based on their knowledge of the quality definition. Their perceptions were based on assumptions or various incorrect public perceptions. This research result explained that customer attitude is directed by two important factors, price and location. This previous research about customer attitude investigated customer attitude from people beliefs of the particular objects. Alibabic et al. (2011) investigated customer attitude about food products from people beliefs that formed by objects and characteristics of the products.

Customer attitude is an interesting research topic. This topic is investigated all over the world. Tekkanat & Topaloglu (2016) have observed college students attitudes toward SMS advertising. SMS is used to maintain customer relationships. This research result proved Krasniqi & Krasniqi (2014) statement that college student attitude in this research are formed by continuous process of the company using text messaging advertising. Their attitudes are also formed by their emotional.

As far as the earlier studies are concerned, customer attitude is formed by individual's beliefs of the object and characteristics of the object. Based on the studies, customer attitude would be investigated by the object and characteristics of the product. Customer attitude on sharia-compliant hotels can be studied from their characteristic as sharia-compliant hotel.

Some researchers have observed sharia-compliant hotels characteristics. Zafir (2015) has developed the characteristics of sharia-compliant hotels. The first characteristic is related to religious activity. Religious activities consist of prayer requirements, the fast, Az-zakah and perform hajj. The second characteristics

related to general needs, such as food, the separation of men and women area without the entertainment space, and Islamic tourist packages. The third characteristics relates to management practices, i.e., hotel standards, no riba, dress code, separate floor for male and female, toilet not facing Kaaba.

Ahmat, Ridzuan, Din, Zainol, & Razali (2015) have developed sharia-compliant hotel attributes that consist of three attributes i.e., operations, interior design and financial attributes. The operating attribute indicator consists of no alcohol, halal food, majority of staff of Muslim faith, female staff for single female floor, conservative television service and Quran and prayer mat are available in each room. While the indicator interior design consists of a larger function room to cater male and female separately, no entertainment venue or nightclub, bed and toilet should not be the place in the direction of Mecca, art in the hotel must not be portrayed in human form, and separate floor for female single and male single. Third attribute indicator, financial attributes consist of hotel financing. Islamic financial institutions must finance hotel operation. In addition, hotels must perform zakat obligation, which is giving back their income to the community.

In their study, they interviewed 117 hotel customers. Data collection method used is distributing questionnaires with Likert scale. The results of this study revealed that customers do not understand the concept of sharia hotels. They only know the concept of sharia hotels through what they observe directly.

Masjid et al. (2016) investigated the implementation of Demetrio operation, one of sharia-compliant hotel in Malaysia. They studied to test whether hotel management has applied the characteristics of sharia-compliant hotels. The results show that the hotel implemented most of characteristics in sharia-compliant hotels.

Several characteristics are not provided by the D'Metro hotel, which is related to the separation of floors and recreation areas for male and female. Researchers did not get information about financing the hotel whether Islamic financial institutions or conventional banks funded it.

Similar research was studied in Egypt (Saad, Ali and Abdel-Ati. 2014). By using Delphi technique, they focused on the concept of sharia mode. The results showed that panelists reached an agreement that sharia compliant hotels must implement hotel operations and designs under Islamic principles. However, the panelists stated that the hotel could still fund its finances using conventional financial sources.

The studies have investigated the characteristics of sharia-compliant hotels. In the studies, the researchers attempted to examine about customers perceptions, knowledge, beliefs and implementation of the concept of sharia-compliant hotels that formed customer attitude on them. The study about the effects of customer attitude on customer intention toward sharia-compliant hotels empirically is rarely found.

### **2.3. Conceptual Framework**

This study aims to examine customer attitude that formed from customer's beliefs to their intention toward sharia-compliant hotel. It based on theory of planned behavior. This theory describes that intention to perform behavior can be predicted by attitude toward behavior, subjective norms and perceived behavior control.



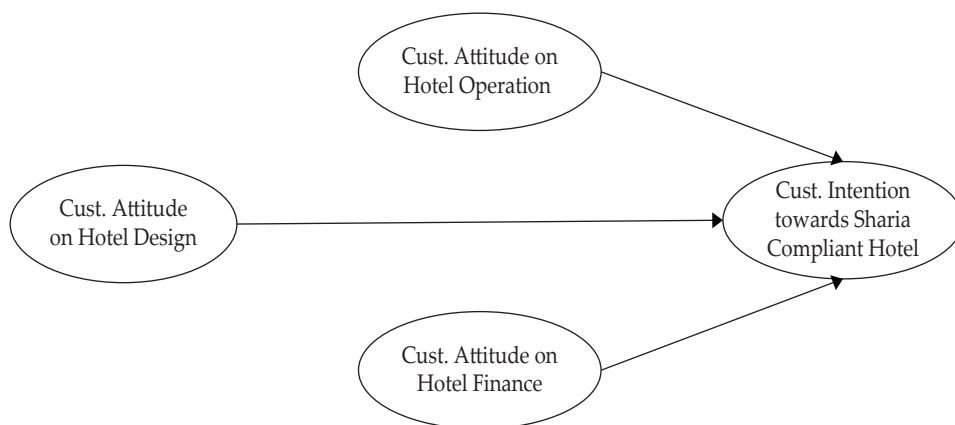
Attitude toward behavior become the strongest predictor of intention (Yakasai and Jusoh, 2015; Afsari, Suryantini, & Mulyo, 2017), making it the focus of this predictor in this study.

Attitude toward behavior is developed by people beliefs about the object. Krasniqi & Krasniqi (2014) explained that people formed beliefs about the object by relating it with certain attributes, such as with other objects, events or characteristics of the objects. Therefore, customer attitude of sharia-compliant hotel could be built by customer beliefs about attributes and hotel characteristics.

Several studies have conducted to develop sharia-compliant hotel attributes. There are three attribute have develop by Saad et al. (2014) and Ahmat et al. (2015). They stated those attributes are sharia-compliant hotel operating, design and hotel finance. Research about the implementation of the attributes has investigated by Majid et al. (2016). They revealed that the attributes have been implemented.

From the earlier theory and studies, this research is arranged Conceptual framework in this study can be illustrated in the following figure.

**Figure 2.**  
**Conceptual Framework**



### III. METHODOLOGY

#### 3.1. Data

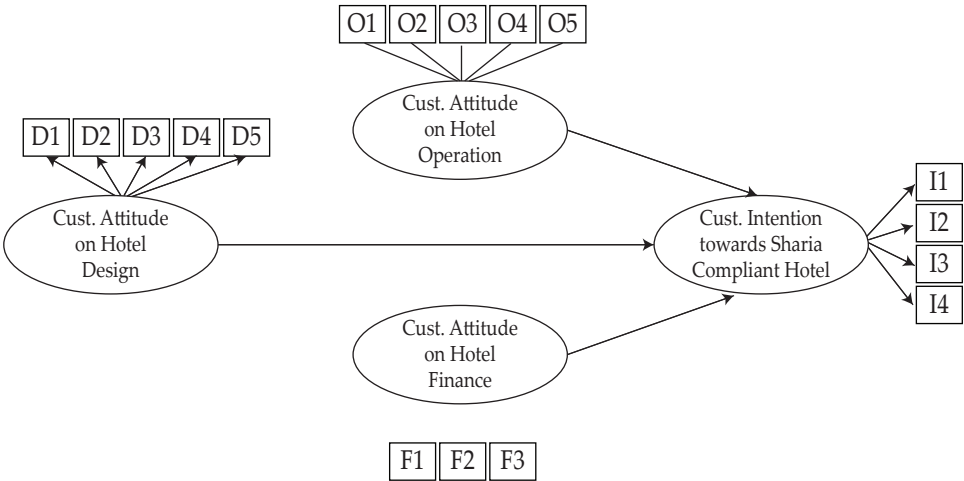
Population in this study is hotel customers who have stayed in sharia-compliant hotels or conventional hotels. Hotel customers chosen as respondents lived in Palembang.

The data used in this research is primary data. Data about customers attitude and their intention toward sharia-compliant hotel were collected by sending respondents closed structure questionnaire via e-mail. Convenience sampling or haphazard sampling is used to select sample members. This sampling method is a type of non-probability sampling. The members of population do not have the same chance to be selected as sample members. It allows researchers to select sample members who are easily accessible, geographically close, willing to spend time and is willing to participate in the research (Etikan, Musa, & Alkasim, 2016).



By using convenience method in collecting data, researchers have distributed 200 questionnaires to hotel customers by e-mail. Response rate in this study is 91,5%, making it only 183 respondents responded those questionnaires.

**Figure 3.**  
**Proposed Model**



**3.2. Model Development**

The research model was designed as shown in the following figure. This research aims to find the influence of each attribute of customer attitudes on sharia-compliant hotel intention. Customer attitude are formed by their belief on sharia-compliant hotels attributes that consisted of hotel operation, hotel design and hotel Finance.

Customer intention to purchase or purchase intention is defined as a complex decision or a kind of decision making that explores the reasons to buy a kind of product or service (Mirabel, Akbariyeh, & Tahmasebifard, 2015). As a result, customer intention toward sharia-compliant hotel can be defined as a situation where customers tend to buy a certain product or service from the hotels. Customer intention as the center of theory of planned behavior has been measured by previous authors (Budiman, 2012), and adopted for this research. It is measured by four indicators, (1) Choosing a sharia-compliant hotel, (2) having desire to use the hotel, (3) recommending it to the friends or family and (4) telling the favorite things about the hotel.

Customer intention is influenced by customer attitude. In this study, customer attitude are formed by their belief on sharia-compliant hotels attributes. The attributes of sharia-compliant hotel are built to describe the style of giving service. They are classified into three fields. The first field is hotel operations, that explain about management of Islamic style. The second field is hotel design, that explain about design and interior decoration of the hotel, and the last field is hotel finance that explained Islamic finance system. The fields are adopted from HVS Hospitality

Service Dubai, 2009 (Jurattanasan & Jaroenwisana, 2014). Other researchers have been examined the attributes of sharia-compliant hotel (Saad et al. 2015; Ahmat et al. 2012). The attributes is adopt in this research.

Customer attitude on hotel operating is measured by investigating management of Islamic style. There are five indicators, (1) hotel never serves alcohol, (2) hotel always serves halal food, (3) most of hotel staffs are Muslim, (4) staff serving single male guests are male, while staffs serving single female guest are female and (5) available Al- Quran and prayer mat in each room. The second variable is customer attitude on hotel design. This variable indicates design and interior decoration of hotel. This variable is measured through 5 indicators: (1) Qibla direction, (2) no entertainment room such as nightclub, (3) bed and toilet are not facing Mecca, (4) Art objects are not in human form, (5) separation of facilities male and female health. Customer attitude on hotel finance is the third variable. This variable is measured through three indicators (1) funding from Islamic banks or other halal funds (2) minimizing non-halal income (3) calculating zakat and distributing sadaqah for people's welfare.

### 3.3. Measurement

This research used survey questionnaire to collect research data and implemented convenience sampling or haphazard sampling. The questionnaires were adopted from previous studies, and arranged them using Likert scale of agreement: (1) strongly disagree, (2) disagree, (3) almost agree, (4) agree, (5) strongly agree. The proposed characteristics are applied to measure hotel customers attitude and their intention toward sharia-compliant hotel. The characteristics consist of hotel operation, hotel design and hotel finance.

**Table 1.**  
**The Items of Questionnaire**

Variables	Items	Source
Hotel Operation	I believe sharia compliant hotel does not offer alcohol drink	(Ahmat, et.al.2012)[ CITATION Zaf15 \l 1057 ] (Saad, et al. 2015) (Ahmat, et.al. 2015)
	I Believe only halal food is served	(Ahmat, et.al. 2012)[ CITATION Zaf15 \l 1057 ] (Ahmat, et.al. 2015)
	I am sure most of employees are muslim	(Ahmat, et.al. 2012) (Saad, et.al. 2015)
	I Believe only male staff serves single male hotel guest, and only female staff serves single female and family hotel quest	(Ahmat et.al. 2012)
	I believe there are Al-quran and prayer mat in each guest room	(Ahmat, et.al.2012)[ CITATION Zaf15 \l 1057 ] (Saad, et al. 2015) (Ahmat, et.al. 2015)
Hotel Design	I believe hotel provides prayer marker direction in each guest room.	(Ahmat, et.al.2012)[ CITATION Zaf15 \l 1057 ] (Ahmat, et.al. 2015)

**Table 1.**  
**The Items of Questionnaire (Continued)**

Variables	Items	Source
	I believe no nightclub entertainment or others	(Ahmat, et.al.2012)[ CITATION Zaf15 \l 1057 ] (Saad, et al. 2015) (Ahmat, et.al. 2015)
	I believe that position of toilet and bed do not face to the direction off mecca	(Ahmat, et.al.2012)[ CITATION Zaf15 \l 1057 ] (Saad, et al. 2015) (Ahmat, et.al. 2015)
	I beleve that the art in sharia compliant hotel should not depict the human form	(Ahmat, et.al.2012)[ CITATION Zaf15 \l 1057 ], (Ahmat, et.al. 2015)
	Separate male and female wellness facilities, such as gym and spa	(Ahmat, et.al.2012)[ CITATION Zaf15 \l 1057 ], (Ahmat, et.al. 2015)
	I believe no nightclub entertainment or others	(Ahmat, et.al.2012)[ CITATION Zaf15 \l 1057 ] (Saad, et al. 2015) (Ahmat, et.al. 2015)
Hotel Finance	Sharia Compliant hotel should finance their finance need from sharia bank or other no interest finance	(Ahmat, et.al.2012)[ CITATION Zaf15 \l 1057 ] (Saad, et al. 2015) (Ahmat, et.al. 2015)

**3.4. Method**

Partial least square (PLS) is used to analyze data obtained. Partial least square Structural Equation Model (PLS-SEM) is developed by Wold (1974). This approach has enjoyed popularity as multivariate analysis method in various research disciplines, such as accounting, marketing, etc. (Hair, Ringle, & Sarstedt, 2013). This Path modeling is a model that does not concern data normality. It is more suitable model for studies that have many latent variables and indicators [CITATION Vij18 \l 1057]. This model is offered to communication and behavioral research. PLS-SEM gives best research result even though for small sample size.

Researchers will do reliability and validity test of the model. The most commonly used for internal consistency measurement reliability is Cronbach Alpha coefficient. A general accepted rule of reliability coefficient is between 0.6 to 0.7. This reliability coefficient value indicated acceptable level of reliability. If reliability coefficient is 0.8 or greater, this coefficient is very good reliability level (Ursachi, Horodnic, & Zait, 2015). Other researchers also explained that the value of reliability coefficient could use other criteria. Cronbach Alpha values 0.5 - 0.7 can be accepted with moderate reliability criteria (Taherdoost, 2016). Some researches used Composite Reliability (CR) to substitute Cronbach Alpha coefficient (Vijayabanu & Arunkumar, 2018). CR or internal consistency is reported to measure reliability of particular construct [CITATION Ach04 \l 1057].

The second test of this examination is validity test. Validity means measuring what is meant to be measure. In other words, validity measures accuracy of measuring instrument to measure. Vijaybanu & Arunkumar (2018) suggested the square root of AVE in each latent variable could be used to ensure discriminant validity. This value must be greater than the values of the other relationships among the latent variables. Diagonal values, which show square root of AVE, must be higher than off-diagonal values in the appropriate columns and rows.

The next step of this examination, PLS procedures produce R Square to determine explanatory power of the model. The path coefficient value is between -1 and +1. If the path coefficient is close to +1, it can be concluded that there is a significant positive effect, but if the path coefficient is close to -1, it means there is a significant negative effect. Bootstrapping is commonly used in this statistical tool to estimate statistical significance of the structural path coefficient.

## IV. RESULTS AND ANALYSIS

### 4.1. Results

#### 4.1.1. Demographic Profile of Respondents

The number of respondents in this study was 183, consisting of 61 men (33 percent) and 122 women (67 percent). If it is compared to the number of indicator 17, the number of data has already more than 10 times of the indicator, which has been complied to what Hair, et al. (2012) where the number of respondent must be approximately 5-10 times of the times of the number of indicators. The age range of respondents is 20 years to 62 years. The level of respondents' education is a senior high school graduate, about 51 respondents or 28 percent, 53 respondents (29 percent) are scholars and 73 respondents (43 percent) are post-graduate graduates. Most of respondents, about 110 or 60 percent of all respondents have income less than 5.000.000 rupiahs, while 73 respondents (40 percent) have income more than 5.000.000 rupiahs

#### 4.1.2. Reliability Test

Reliability test of the data has been measured. Reliability test results can be seen in the following table:

**Table 2.**  
**Reliability and Validity**

	<b>Cronbach's Alpha</b>	<b>rho_A</b>	<b>CR</b>	<b>(AVE)</b>
Operating	0.501	0.552	0.638	0.334
Design	0.601	0.603	0.752	0.385
Finance	0.647	0.653	0.805	0.58
Intention	0.903	0.903	0.932	0.775

Source: result analysis.

The above table pinpoints that Cronbach alpha coefficient is 0.5 to 0.9. Thus, it can be concluded that the reflective latent variable from this study is stated at a level of consistency and reliability. This value refers to the [CITATION Tah16 \l 1057] criteria, which stated that the Cronbach Alpha value of 0.5 - 0.7 is reliable moderate, 0.8 or above is very good. Reliability coefficient can be described from the value of composite reliability (CR). From the above table, it can be confirmed that the CR value is greater than 0.6. The value shows the latent variables in this study are reliable.

4.1.3 Validity Test

Discriminant validity, the number of constructing a variety of other constructions accessed through Cross-Loadings and Fornell-Larcker can be seen in the following table:

Table 3.  
Fornell Larcker Criterion

	Operating	Design	Finance	Intention
Operating	0.578			
Design	0.499	0.620		
Finance	0.386	0.336	0.762	
Intention	0.347	0.414	0.573	0.880

Source: result analysis.

4. 1.4. Results

4.1.4.1 Measurement Model

The present testing is done to evaluate explanatory power of all of latent variables. The results of the analysis as shown in following table.

Table 4.  
Measurement Model for Latent Variables

Latent Variables	Indicator	Loading	AVE	CR
Hotel Operating	O1	0.137	0.334	0.638
	O2	0.198		
	O3	0.832		
	O4	0.545		
	O5	0.817		
Hotel Design	I1	0.636	0.385	0.752
	I2	0.475		
	I3	0.669		
	I4	0.756		
	I5	0.552		
Hotel Finance	K1	0.736	0.58	0.805
	K2	0.77		
	K3	0.761		
Intention	M1	0.833	0.775	0.932
	M2	0.899		
	M3	0.918		
	M4	0.869		

Source: result analysis.

Factor loading of all latent variables are greater than 0.5 with exception on several indicators i.e. O1 O2, I2 which are less than 0.5. The values of Composite Reliability are between 0.638 and 0.932. The Average Variance Extracted (AVE) values of the four latent variables in this research model are customer attitude on hotel operating 0.334, customer attitude on hotel design 0.385, customer attitude on hotel finance 0. 580 and customer intention 0.775. All values of AVE are greater

than 0.3 so that overall in line with the recommended assessment values for the latent variables. The values have sufficient explanatory power to be used in analysis (Bagozzi & Yi, 1988; Fornell & Larcker, 1981).

#### 4.1.4.2. Structural Model

PLS path modeling has been carried out using a bootstrap procedure to produce a significant path coefficient test to examine the effect of customer attitude on customer intention on sharia-compliant hotels. This coefficient is determined precisely using bootstrapping. By using a two-tailed test at a significance level of 10 percent, the t-test value is 1.65

Coefficient of determination (R square) determines model prediction precision and pinpoints the extent of variance dependent variable by all independent variables. It starts from zero to one. The higher the coefficient of determination, the higher the precision of the independent variables in predicting the dependent variable.

**Table 5.**  
**Path Coefficients**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/ STDEV )	P Values
1_Operating -> Intention	0.048	0.075	0.088	0.548	0.584
2_Design -> Intention	0.229	0.238	0.083	2.749	0.006**
3_Finance -> Intention	0.478	0.463	0.105	4.532	0.000**

Source: result analysis.

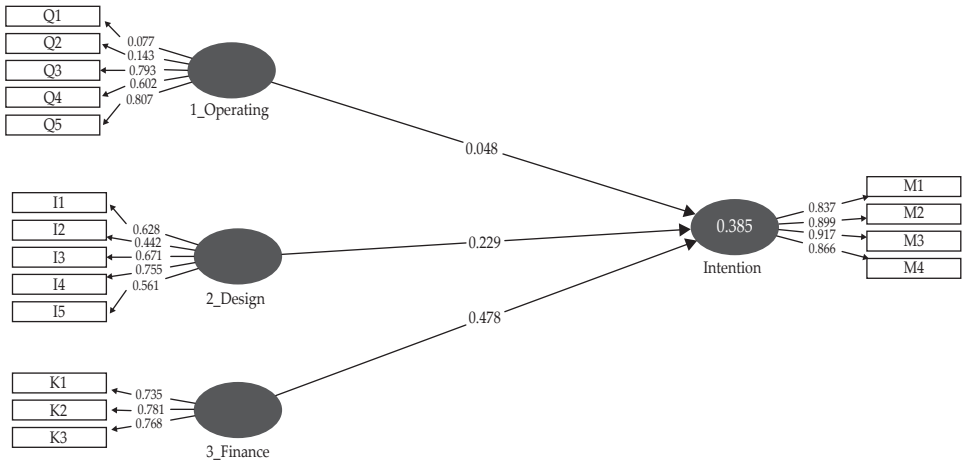
R square value of this model is 38.5%. This value indicates that customer attitude of hotel operations, design, and finance is able to predict 38.5% customer intention. From this research result, it can be concluded that the customer intention on sharia-compliant hotel is determined by 38.5% customer attitude while 61.5% is determined by other factors.

Path coefficient table pinpoints two dimensions of customer attitude, i.e., customer attitude on hotel design and hotel finance have significant effect on customer intention. t- statistic value of hotel design is 2.749 and t statistic value of hotel finance is 4.352. The value of t-statistic for hotel design and hotel finance is greater than t -table, 1.65. P-value of customer attitude on hotel design and hotel finance is less than 0.01. The values mean customer attitude on hotel design and hotel finance has significant and positive effect on customer intention toward sharia-compliant hotel.

However, the table pinpoints customer attitudes of hotel operation have no significant effect on customer intention. t-statistic value of customer attitude of hotel operation is 0.548, whereas the value of t-table is 1,65. P-value of customer attitude on hotel operation is 0.584. The values stated that there is no significant effect of customer attitude on hotel operating toward intention.

The influence of customer attitude on intention toward sharia-compliant hotel as shown in figure 4.

**Figure 4.**  
**Path model : The Influence of Customer Attitudes on Intention toward Sharia Compliant Hotel**



#### 4.2. Analysis

This study examined Theory of Planned Behavior construct. It stated that customer attitudes influence intention toward sharia-compliant hotel. In another words, attitude is the important factor and leads hotel customers to perform behavior. Additionally, customer attitudes influences intention positively and significantly. The result of this study is consistent with the result of study conducted by Johan, Dali, Suki, & Hafit (2017) that revealed customers attitudes have strong influence to intention toward sharia-compliant credit card. This result study is also inline with the study examined by Budiman (2012) that described customer attitudes affected intention to purchase counterfeiting bag product significantly.

This study result indicated that customer attitudes not only can influence intention toward sharia-compliant credit card and intention toward to purchase counterfeiting bag, but also can influence intention toward sharia-compliant hotel.

In order to encourage intention, sharia-compliant hotels must do many things to strengthen customer attitude beyond learning and understanding about characteristic of sharia-compliant hotel.

On the other hand, this research results contrary to previous researches. According to Octanina et al. (2019) Customer attitude built from knowledge and religiosity have no effect to customer intention. It can occur because sometimes knowledge does not emerge from the product, but also from their wrong perception. Maybe knowledge is emerged from wrong society knowledge.

An attitude can be defined as an educated tendency to respond consistently favorable or unfavorable with respect to a given object. Customer attitude toward sharia-compliant hotel can be formed through customer belief about characteristic of the hotel. By using customer belief of hotel characteristics, the result of this study pinpoints that customer attitude on hotel design influenced customer intention toward sharia-compliant hotel positively and significantly. This result consistent with the result of study conducted by Saad et al. (2015) and (Majid, et al. 2016).



Their result revealed that hotel design was considered important, without relating to customer intention.

Customer attitude on hotel finance influenced intention toward sharia-compliant hotel positively and significantly. This result indicated intention could be encouraged through strengthening customer attitude about hotel finance. Hotel customers wanted sharia-compliant hotel financed hotel activities from Islamic finance or interest free banks. This result is inline with the previous research (Zafir, (2015) and Ahmat et al. (2015) that revealed hotel finance is important characteristic for sharia-compliant hotel. They did not relate this hotel characteristic to customer's intention. In other hand, this research result is not in line with research conducted by Saad, et al. (2015). This previous study considered sharia-compliant hotel does not recommend Islamic Bank to finance this type of hotel.

The research result explained customer attitudes on hotel operating did not influence customer intention toward sharia-compliant hotel. It contradicts to other research that discusses relationship between customer attitudes and intention. (Budiman (2012) and Johan, et al. (2017). Hotel operating in sharia-compliant hotel related to Muslim life style. Muslim always bring prayer mat and save their Al Quran an text in their hand phones even though hotel never provide them.

The influence of customer attitude on intention toward sharia-compliant hotel has indicated by R-square value, 0.385. This value indicated customer intention could be predicted 38.5 % of customer attitudes on hotel operating, hotel design and hotel finance. The result of this study is inline with Ramayah et al. (2004) study. Their study revealed that attitude has second level effect on behavior.

R square value 38.5 % indicated that there is many other variables might influence intention. Customer attitudes variable is not only formed the characteristic of sharia-compliant hotel itself, but also by customer intention such as price and hotel location. Customers want the hotel is not so far from their business location (Alibabic et al., 2011).

If it refers to Theory of Planned Behavior, intention is determined by three factors, customer attitudes, subjective norm, and perceive behavioral control. It means customer intention toward sharia-compliant hotel can be studied by adding another variable i.e., subjective norm and perceive behavioral control.

## **V. CONCLUSION AND RECOMMENDATION**

### **5.1. Conclusion**

This research has expanded theoretical framework measuring customer intention toward sharia-compliant hotel. It focused on one of three dimensions in Theory of Planned Behavior with study about customer attitudes and their effect on intention.

Customer attitudes are formed from customer belief about hotel operating, hotel design and hotel finance of sharia-compliant hotel. This study result indicated customer attitudes influence intention toward sharia-compliant hotel positively and significantly. However, customer attitude from their belief about hotel operational management had no effect to their intention. Their beliefs about hotel design and hotel finance are able to encourage their intention. Customer belief about hotel finance gives highest effect on their intention.

Customer attitudes have moderate effect on their intention toward sharia-compliant hotel. This condition indicated that many other factors might be influence customer intention. Halal certification, price and hotel location can be added in understanding customer attitudes.

## 5.2. Recommendation

This result research indicated that customer attitudes have significant effect on customer intention toward sharia-compliant hotel. Customer attitudes are formed from customer belief of that hotel. The characteristics of this type of hotel strengthen their attitudes. Customer attitudes on Hotel finance and hotel design give best impact on customer intention. It is important information for hotel management who wants to develop this hotel. Hotel management must arrange hotel finance and hotel design in order to obey sharia principles. This effort must be promoted in order to greater customer intention.

Nowadays plenty of hotels claimed that their hotel is sharia-compliant hotel. However, they never hold any certificate form authorities. This condition could decreases good name of sharia-compliant hotel market. Therefore, government must form the clear regulation in using sharia-compliant hotel characteristic.

This research result indicated that regression coefficient of independent variable on dependent variable is moderate. Therefore, many other variables must be included in this model in order to perfect this model. Consequently, it can be used to predict dependent variable. Further research may be able to flesh out this research model by adding other variables.

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