

FACTORS AFFECTING HALAL SATISFACTION AND LOYALTY IN THE HOSPITALITY INDUSTRY

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Abstract: This study aims to identify and analyze the factors influencing customer satisfaction and loyalty in the Sharia hotel industry in East Java, focusing on service quality, hotel facilities, accessibility, and expectations toward service. A quantitative research method was employed, collecting data through questionnaires distributed to customers of Sharia hotels in East Java. Data analysis techniques included descriptive analysis, convergent validity testing, Average Variance Extracted (AVE), Composite Reliability, and Cronbach's Alpha to measure the reliability and validity of the data. The results indicate that service quality, hotel facilities, and accessibility have a significant positive impact on expectations toward service, which in turn significantly affects customer satisfaction and loyalty. Specifically, Sharia-compliant and easily accessible hotel facilities enhance customers' expectations regarding the services they receive. Fulfilled or exceeded expectations then increase customer satisfaction, which directly contributes to customer loyalty. This research contributes to the existing literature by providing a deeper understanding of the factors affecting customer satisfaction and loyalty in the context of Sharia hotels in East Java and offers practical insights for hotel managers in developing effective service strategies.

Keywords: Service Quality, Hotel Facilities, Accessibility, Expectation Toward Service, Customer Satisfaction, Customer Loyalty, Sharia Hotels, East Java.

INTRODUCTION

The hospitality industry plays a crucial role in the economic development of many regions, including East Java. As a vibrant and diverse area, East Java attracts both domestic and international tourists, increasing the demand for high-quality hospitality services. In this competitive landscape, understanding the factors that affect customer expectations and their subsequent satisfaction and loyalty is vital for the success of hospitality businesses. Despite the growing recognition of the importance of quality service, hotel facilities, and accessibility in shaping customer experiences, there is a lack of comprehensive research examining how these factors influence customer expectations, satisfaction, and loyalty specifically within the East Java hospitality industry. This gap in knowledge can impede the ability of hospitality businesses to effectively meet the needs and preferences of their customers, potentially affecting their competitive edge.

This research aims to explore the factors affecting service quality, hotel facilities, and accessibility on customer expectations and their impact on customer satisfaction and loyalty

within the hospitality industry in East Java. Service quality is a critical determinant of customer satisfaction in the hospitality industry. It encompasses various dimensions, including tangibility, reliability, responsiveness, assurance, and empathy. High-quality service is essential for creating positive customer experiences, meeting or exceeding customer expectations, and fostering customer loyalty. Studies have shown that perceived service quality significantly influences customer satisfaction, which in turn affects their loyalty towards the service provider (Parasuraman, Zeithaml, & Berry, 1988).

The availability and quality of hotel facilities are another important aspect affecting customer satisfaction. Facilities such as comfortable and clean rooms, recreational amenities, dining options, and wellness centers contribute to the overall experience of guests. The adequacy and modernity of these facilities often shape customers' perceptions and expectations. Research indicates that well-maintained and equipped hotel facilities positively impact customer satisfaction and encourage repeat visits (Akbaba, 2006).

Accessibility is a critical factor in the hospitality industry, particularly in a diverse and geographically varied region like East Java. Accessibility refers to the ease with which customers can reach the hotel and the convenience of nearby attractions and amenities. It includes factors such as transportation options, proximity to tourist sites, and the overall connectivity of the location. Enhanced accessibility can lead to higher customer satisfaction by providing convenience and reducing travel-related stress (Miller, 2001).

Customer expectations play a pivotal role in the hospitality industry. These expectations are shaped by previous experiences, word-of-mouth, marketing communications, and individual needs and preferences. Meeting or exceeding customer expectations is essential for achieving high levels of satisfaction. When hotels deliver services that align with or surpass customer expectations, it leads to positive evaluations and satisfaction (Oliver, 1980). Customer satisfaction is a measure of how well the services provided by a hotel meet or exceed customer expectations. Satisfied customers are more likely to return to the same hotel, recommend it to others, and provide positive reviews. This satisfaction not only enhances the hotel's reputation but also drives customer loyalty, which is crucial for long-term business success. Loyal customers are less sensitive to price changes and more resistant to competitive offers, thereby providing a stable revenue stream (Jones & Sasser, 1995).

In the context of East Java's hospitality industry, understanding the interplay between service quality, hotel facilities, accessibility, and customer expectations is vital for hoteliers aiming to enhance customer satisfaction and loyalty. By focusing on these factors, hotels can develop strategies to improve their offerings, attract more guests, and ensure sustainable growth.

CONCEPTUAL FRAMEWORK

Service Quality

Service quality is a pivotal factor in the hospitality industry that significantly influences customer satisfaction and loyalty. Parasuraman, Zeithaml, and Berry (1988) developed the SERVQUAL model, which identifies five dimensions of service quality: tangibles,

reliability, responsiveness, assurance, and empathy. These dimensions are crucial in assessing customer perceptions of service quality in hotels.

Studies have demonstrated that higher perceived service quality leads to greater customer satisfaction. For instance, Kandampully and Suhartanto (2000) found that service quality directly impacts customer satisfaction and loyalty in the hotel industry. Furthermore, Zeithaml, Berry, and Parasuraman (1996) emphasized that consistent delivery of high-quality service helps in building customer trust and loyalty, which are essential for competitive advantage.

Hotel Facilities

Hotel facilities, including room quality, recreational amenities, dining options, and wellness centers, are significant determinants of guest satisfaction. Akbaba (2006) highlighted that the physical and functional attributes of hotel facilities play a critical role in shaping guests' overall experiences. Well-maintained and modern facilities enhance guests' comfort and satisfaction, which can lead to repeat visits and positive word-of-mouth.

Moreover, Han, Back, and Barrett (2009) found that the quality of hotel facilities significantly impacts guests' perceptions and satisfaction. The availability of diverse and high-quality facilities meets the varying needs of guests, thereby enhancing their overall stay experience and fostering loyalty.

Accessibility

Accessibility pertains to the ease with which guests can reach a hotel and its proximity to key attractions and amenities. It includes factors such as transportation options, location convenience, and the surrounding environment. Proust (1999) indicated that accessibility is a critical factor in destination choice and overall satisfaction for tourists. Research by Seetanh et al. (2011) suggests that accessible locations with good transportation links are more likely to attract visitors and enhance their satisfaction. Accessibility reduces travel-related stress and increases convenience, making it an important factor for repeat visits and customer loyalty in the hospitality industry.

Expectation Towards Service

Customer expectations are shaped by various factors, including previous experiences, marketing communications, and personal needs. Managing and meeting these expectations is crucial for achieving customer satisfaction. Oliver (1980) posited that satisfaction is determined by the discrepancy between expected and perceived service. When hotels meet or exceed expectations, customers are more likely to be satisfied and exhibit loyalty.

Tsang and Qu (2000) emphasized that understanding customer expectations and tailoring services accordingly can significantly enhance satisfaction levels. High congruence between expected and actual service leads to positive evaluations, repeat patronage, and recommendations.

Customer Satisfaction

Customer satisfaction is a critical outcome in the hospitality industry, reflecting how well a hotel meets or exceeds guest expectations. Satisfied customers are more likely to return and recommend the hotel to others. According to Fornell et al. (1996), customer satisfaction positively influences loyalty, leading to repeat business and reduced customer churn.

Moreover, satisfied customers are likely to engage in positive word-of-mouth, enhancing the hotel's reputation and attracting new customers. The relationship between customer satisfaction and loyalty is well-documented, with numerous studies confirming that high satisfaction levels lead to increased loyalty (Jones & Sasser, 1995).

Customer Loyalty

Customer loyalty is a key determinant of long-term success in the hospitality industry. Loyal customers provide a stable revenue stream and are less sensitive to price changes. Dick and Basu (1994) defined customer loyalty as the strength of the relationship between an individual's relative attitude and repeat patronage.

Research by Bowen and Chen (2001) demonstrated that customer loyalty in the hospitality industry is influenced by satisfaction, service quality, and perceived

value. Loyal customers are more likely to engage in repeat purchases and recommend the hotel to others, contributing to sustained business growth and competitive advantage.

METHODOLOGY

This study adopts a quantitative research design, utilizing a cross-sectional survey approach to collect data from hotel guests in East Java. The aim is to understand the relationships between the identified variables and their impact on customer satisfaction and loyalty. The population for this study includes all guests who have stayed at various hotels in East Java within the last six months.

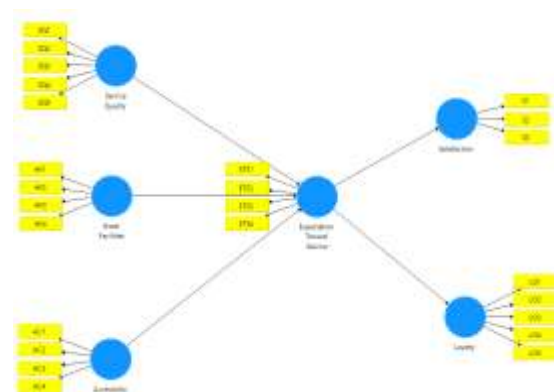


Figure 1. Conceptual Framework

RESULTS AND DISCUSSION

Results

1. Convergent Validity

Convergent validity refers to the degree to which two measures of constructs that theoretically should be related, are in fact related. In the context of structural equation modeling (SEM), convergent validity is assessed by examining the factor loadings of items on their respective constructs. High factor loadings (typically greater than 0.50) indicate that the items converge well to measure the intended construct (Fornell & Larcker, 1981).

Table 1. Convergent Validity

Variable	Indicator	Outer Loading
Service Quality	SQ1	0.793
	SQ2	0.700
	SQ3	0.721
	SQ4	0.732



Variable	Indicator	Outer Loading
	SQ5	0.703
Hotel Facilities	HF1	0.713
	HF2	0.704
	HF3	0.799
	HF4	0.873
Accessibility	ACS1	0.724
	ACS2	0.891
	ACS3	0.731
	ACS4	0.800
Expectation Toward Service	ETS1	0.842
	ETS2	0.742
	ETS3	0.824
	ETS4	0.882
Customer Satisfaction	CST1	0.798
	CST2	0.834
	CST3	0.839
Customer Loyalty	CLO1	0.845
	CLO2	0.836
	CLO3	0.952
	CLO4	0.865
	CLO5	0.883

2. Average Variance Extracted (AVE)

Average Variance Extracted (AVE) is calculated as the average of the squared factor loadings of the items associated with a construct. An AVE value of 0.50 or higher indicates adequate convergent validity, meaning the construct explains more than half of the variance of its indicators (Fornell & Larcker, 1981).

Table 2. AVE

Variable	Average Variance Extracted (AVE)
Service Quality	0.894
Hotel Facilities	0.832
Accessibility	0.802
Expectation Toward Service	0.870
Customer Satisfaction	0.800

Variable	Average Variance Extracted (AVE)
Customer Loyalty	0.891

3. Composite Reliability and Cronbach's Alpha

Composite Reliability (CR), also known as construct reliability, assesses the internal consistency of a set of indicators measuring a latent construct. It is similar to Cronbach's alpha but provides a more precise measure of reliability because it takes into account the actual loadings of each item. CR values range from 0 to 1, with values above 0.70 generally considered acceptable, indicating that the construct indicators have a high level of reliability (Bagozzi & Yi, 1988). Cronbach's alpha values range from 0 to 1, with higher values indicating greater reliability. Generally, a value of 0.70 or higher is considered acceptable, indicating that the items have good internal consistency.

Table 3. Composite Reliability and Cronbach's Alpha

Variable	Cronbach's Alpha	Composite Reliability
Service Quality	0.734	0.841
Hotel Facilities	0.792	0.800
Accessibility	0.899	0.931
Expectation Toward Service	0.852	0.893
Customer Satisfaction	0.840	0.942
Customer Loyalty	0.842	0.973

4. Testing Hypothesis

To verify the study findings, hypothesis testing involves testing a direct effect. The sign (») It indicates the way one variable affects another. The subsequent results are the outcomes derived from testing the hypotheses:

Table 4. Hypothesis

Variable	Original Sample (o)	P-Values
Service Quality » Expectation Toward Service	0.742	0.002

Variable	Original Sample (o)	P-Values
Hotel Facilities » Expectation Toward Service	0.842	0.001
Accessibility » Expectation Toward Service	0.693	0.004
Expectation Toward Service » Satisfaction	0.842	0.000
Expectation Toward Service » Loyalty	0.801	0.000

Discussion

Service Quality and Expectation Toward Service

The positive relationship between service quality and expectation toward services is evidenced by the p-value of 0.002. Service quality refers to the perception of customers regarding how well a service meets or exceeds their expectations. In the context of Sharia hotels, service quality encompasses various dimensions such as reliability, responsiveness, assurance, empathy, and tangibles (Parasuraman, Zeithaml, & Berry, 1988). Additionally, service quality in Sharia hotels includes adherence to Islamic principles, availability of halal food, and prayer facilities.

Expectation toward service refers to the standards or reference points that customers hold before experiencing a service. These expectations are shaped by past experiences, recommendations from others, and information obtained from advertisements or other media (Zeithaml, Berry, & Parasuraman, 1993). Sharia hotels must ensure that all their services, from food to prayer facilities, meet Sharia standards. Customers who are satisfied with this compliance will expect the same or higher standards in the future.

Customers of Sharia hotels typically have specific expectations related to religious practices. Meeting these expectations through high-quality service can enhance customer loyalty and attract more Muslim guests. Consistent and high-quality service in Sharia hotels can shape positive customer expectations for future visits. When customers experience services that meet or exceed their expectations, they develop high expectations for future service encounters (Oliver, 1980). For example,

customers satisfied with the cleanliness, prompt service, and friendly staff at Sharia hotels in East Java will expect the same or better service during their next stay. High service quality also means the hotel's ability to understand and adjust services according to customer needs, including the specific needs of Muslim customers. When customers experience personalized attention and service, their expectations for future service will increase (Grönroos, 1984). For example, adjusting the menu to ensure halal options and providing clear information about prayer times and qibla direction in the rooms.

In a competitive industry, Sharia hotels that can maintain and improve service quality will be able to meet and exceed customer expectations, thereby increasing their competitiveness.

Hotel Facilities and Expectation Toward Service

Hotel facilities refer to the various amenities and services provided by a hotel to enhance the comfort and experience of its guests. In the context of Sharia hotels, these facilities include not only the standard amenities such as comfortable rooms, dining options, and recreational areas but also specific amenities that cater to the needs of Muslim guests. These might include prayer rooms, halal-certified food, and facilities that ensure privacy in accordance with Islamic principles.

The results of this study explain that hotel facilities have a significant positive influence on expectations toward service, with a p-value of 0.001. The presence and quality of hotel facilities directly shape customer expectations. When guests encounter high-quality facilities, such as well-maintained rooms, halal dining options, and comprehensive prayer facilities, they form higher expectations for the overall service quality. This direct impact is particularly significant in Sharia hotels, where the alignment of facilities with Islamic principles is critical. For example, customers who stay at a Sharia hotel with excellent prayer facilities and halal food options will expect similar or better facilities in future stays.

High-quality facilities enhance the perceived value of the hotel, which positively influences customer expectations. When customers perceive that a hotel offers great value through its superior facilities, they are

likely to expect high standards in other aspects of service as well (Han, Back, & Barrett, 2009). In the context of Sharia hotels, facilities that cater specifically to the needs of Muslim guests, such as segregated swimming pools and women-only floors, can significantly enhance perceived value and shape positive expectations. Facilities that allow for customization and personalization can significantly enhance customer expectations. In Sharia hotels, providing facilities that cater to individual preferences, such as private prayer rooms or personalized halal dining options, can create high expectations for personalized service (Grönroos, 1984). Customers who experience such tailored facilities will expect the hotel to continue offering personalized amenities in the future.

In a competitive market, Sharia hotels that offer superior facilities aligned with Islamic principles can differentiate themselves and create high expectations among customers, thus enhancing their competitive edge. The positive relationship between hotel facilities and expectation toward service in the Sharia hotel industry in East Java suggests that enhancing the quality and appropriateness of facilities can significantly shape customer expectations, leading to higher satisfaction and loyalty.

Accessibility and Expectation Toward Service

Accessibility in the context of the hospitality industry refers to the ease with which customers can access the hotel and its facilities. This includes physical accessibility (such as location, transportation options, and availability of facilities for individuals with disabilities), informational accessibility (such as clear signage and availability of information in multiple languages), and service accessibility (such as ease of booking and responsive customer service). Accessibility directly impacts customer expectations as it is often one of the first aspects experienced by a customer. High accessibility can set a positive tone for the rest of the customer experience, thereby raising their expectations for other services. For instance, a Sharia hotel that is easily accessible by various modes of transportation and provides ample information about its facilities will likely create high expectations for its overall service quality.

The positive relationship between accessibility and expectation toward service in the Sharia hotel industry in East Java suggests that enhancing accessibility can significantly shape customer expectations. With a p-value of 0.004, the influence is statistically significant, highlighting the importance of accessibility in shaping positive customer expectations and improving overall satisfaction and loyalty in the Sharia hotel industry.

Expectation Toward Service on Customer Satisfaction

The positive relationship between expectation toward services and customer satisfaction is evidenced by the p-value of 0.000. Customer satisfaction is the extent to which a product or service meets or exceeds the customer's expectations. It is a key determinant of customer loyalty and repeat business, particularly in the hospitality industry (Oliver, 1980). In the context of Sharia hotels, customer satisfaction also encompasses the hotel's adherence to Islamic principles, the availability of halal food, and facilities that support religious practices. According to the Expectation-Confirmation Theory (ECT), customer satisfaction is determined by the comparison between expectations and actual performance. If the actual service performance meets or exceeds the expectations, customers are likely to be satisfied. Conversely, if the service falls short of expectations, customers will likely be dissatisfied (Oliver, 1980). In Sharia hotels, if guests expect high standards of Islamic compliance and these are met, their satisfaction will increase.

Positive expectations toward service create a psychological predisposition that enhances customer satisfaction when these expectations are met. For example, guests at a Sharia hotel in East Java who expect clean and comfortable prayer facilities, halal-certified food, and a respectful environment will feel satisfied when these expectations are fulfilled. High expectations, when confirmed by actual service experience, lead to high levels of satisfaction (Parasuraman, Zeithaml, & Berry, 1988). Satisfied customers are more likely to return and recommend the hotel to others, thereby fostering loyalty. Meeting or exceeding customer expectations in Sharia hotels leads to positive word-of-mouth and repeat business. For instance, if a guest's expectation of a serene

and religiously compliant environment is met, they are more likely to become repeat customers and advocate for the hotel within their community (Bowen & Chen, 2001). The positive relationship between expectation toward service and customer satisfaction in Sharia hotels in East Java suggests that meeting or exceeding customer expectations significantly enhances satisfaction. By aligning service delivery with customer expectations, particularly regarding Sharia compliance and personalized services, Sharia hotels can improve customer satisfaction.

Expectation Toward Service on Customer Loyalty

The positive relationship between expectation toward services and customer loyalty is evidenced by the p-value of 0.000. Customer loyalty is the tendency of customers to return to use the same product or service and recommend it to others. Customer loyalty is influenced by high customer satisfaction, which is the result of services that meet or exceed customer expectations (Oliver, 1999). Meeting or exceeding expectations can increase customer satisfaction, which in turn influences loyalty. According to cognitive dissonance theory, satisfied customers tend to be more loyal and recommend the service to others (Oliver, 1980). In the context of Sharia hotels, if guests expect high standards in terms of Sharia compliance and comfort, and these expectations are met, they are likely to become loyal customers.

Positive service experiences can strengthen expectations and encourage customer loyalty. For example, if guests at a Sharia hotel in East Java experience satisfactory service, such as quality halal food, comfortable prayer facilities, and an environment that conforms to Islamic principles, they will have high expectations for their next visit and are likely to return to that hotel. Personalizing services to meet specific customer needs can increase satisfaction and loyalty. Sharia hotels that offer customized services, such as providing prayer schedules, special dietary requirements, and privacy requirements, can significantly increase customer satisfaction and loyalty. When guests feel that their unique expectations are understood and met, their satisfaction and loyalty will increase (Grönroos, 1984). Guests who are satisfied with service

that meets their expectations are likely to recommend the hotel to others, who will expect the same high standards of service. This helps in building a loyal customer base (Bowen & Chen, 2001).

CONCLUSION

This study examines the influence of service quality, hotel facilities, and accessibility on service expectations and their impact on customer satisfaction and loyalty in the Sharia hotel industry in East Java. The main findings indicate that:

1. Service Quality significantly influences service expectations. Customers who receive high-quality service tend to have higher expectations for overall hotel service.
2. Hotel Facilities play a crucial role in shaping customer service expectations. Adequate facilities that align with Sharia principles enhance customers' expectations of the services provided.
3. Accessibility has a positive impact on service expectations. Hotels that are easy to access and provide clear information about their facilities and services can raise customer expectations.
4. Expectation Toward Service influences customer satisfaction. When customer expectations are met or exceeded, their satisfaction increases, which in turn enhances customer loyalty.

Overall, this study confirms that meeting or exceeding customer expectations is key to improving customer satisfaction and loyalty in Sharia hotels. Providing quality service, adequate facilities, and good accessibility are important factors in achieving this goal.

Future research could expand the geographical scope to include other regions in Indonesia or even other countries with a developing Sharia hotel industry. This would provide more comprehensive insights and better generalizability. Combining qualitative methods, such as in-depth interviews and focus group discussions, can provide a deeper understanding of customer expectations and satisfaction. Future studies could consider additional variables such as pricing, promotions, and digital experiences that may also impact customer expectations, satisfaction,

and loyalty. By considering these recommendations, future research is expected to contribute more significantly to understanding and improving service in the Sharia hotel industry, thus more effectively meeting customer needs and expectations, and enhancing their satisfaction and loyalty.

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