

EXPLORING THE ROLE OF SHARIA VALUES IN SHAPING CUSTOMER SATISFACTION AND WORD OF MOUTH IN SHARIA-COMPLIANT HOTELS

Nita Selvia Rohmayati^{1*}, Cepryana Sathalica Widyananda²

¹Universitas KH. Bahaudin Mudhary Madura, Indonesia

²Universitas Madura, Indonesia

e-mail: nita_selvia@unibamadura.ac.id

*Corresponding Author

Abstract: This study investigates the impact of the implementation of Sharia values on customer satisfaction and word of mouth (WOM) in Sharia-compliant hotels in City X. The research uses a quantitative approach with purposive random sampling, gathering data from 100 customers of Sharia hotels. Structural Equation Modeling (SEM) is used to analyze the relationships between Sharia values, customer satisfaction, and WOM. The findings indicate that the application of Sharia values positively influences customer satisfaction, and customer satisfaction in turn has a significant effect on WOM. Furthermore, customer satisfaction is found to mediate the relationship between the implementation of Sharia values and WOM. These results underscore the importance of aligning hotel services with Sharia principles to enhance customer satisfaction and foster positive WOM. The study offers practical insights for Sharia-compliant hotels to improve service quality and build stronger customer loyalty.

Keywords: Sharia values, customer satisfaction, word of mouth, Sharia-compliant hotels.

INTRODUCTION

The hospitality industry in Indonesia has experienced significant growth in line with the increasing interest of both domestic and international tourists. In this context, Sharia hotels have emerged as alternative accommodations that offer services in accordance with Islamic principles, such as providing halal food, prayer facilities, and gender-segregated areas. This concept not only appeals to Muslim travelers but also serves as a marketing strategy emphasizing religious and ethical values in service delivery.

The implementation of Sharia values in Sharia hotel operations includes aspects such as honesty, transparency, and fairness in service. These values are expected to enhance customer satisfaction, which in turn may encourage positive word of mouth (WOM) behavior. WOM is considered one of the most effective forms of promotion, as information shared by customers to other potential customers is often perceived as more credible than traditional advertising.

Previous studies have shown a relationship between the implementation of Sharia principles and customer satisfaction. For

instance, a study by Masitoh (2018) at Hotel Noor Bandung found that the application of Sharia principles significantly influenced consumer satisfaction. Similarly, a study by Hidayan and Kusairi (2021) at Hotel Asri Syariah Situbondo revealed that Sharia service principles such as Rabbaniyyah (divine orientation), Akhlaqiyyah (ethical), Al-Waqi'iyyah (realistic), and Al-Insaniyyah (humanistic) had a significant impact on customer satisfaction.

However, there is still a research gap in understanding how customer satisfaction mediates the relationship between Sharia value implementation and WOM behavior. Understanding this mechanism is crucial for designing effective marketing strategies in the Sharia hotel industry. By recognizing the mediating role of satisfaction, hotel management can focus on service elements that boost satisfaction, ultimately encouraging customers to recommend the hotel to others.

Moreover, this study is highly relevant within the framework of Indonesia's development as a global hub for the Islamic economy, including the halal tourism sector.

The Indonesian government has committed to promoting this vision, with Sharia hotels playing a critical role as providers of religiously compliant accommodations. Therefore, this research contributes to understanding the factors influencing the success of Sharia hotels, especially in building a positive reputation through WOM.

Based on the discussion above, this study aims to analyze the influence of Sharia value implementation on customer WOM behavior, with customer satisfaction as a mediating variable, in Sharia hotels in City X. The findings are expected to provide valuable insights for Sharia hotel management to enhance service quality and marketing strategies rooted in Islamic values.

CONCEPTUAL FRAMEWORK

Implementation of Sharia Values

The implementation of Sharia values in the hospitality industry includes principles such as honesty, fairness, responsibility, and services aligned with Islamic law for example, not serving alcohol, providing prayer facilities, and maintaining gender boundaries (Suhud et al., 2023). These values are not only normative but also serve as a differentiation strategy in the marketing of Sharia-compliant hotels. Research by Islami, Mundir, and Farida (2024) shows that consistent application of Sharia principles significantly enhances customer trust and comfort.

Customer Satisfaction

Customer satisfaction is a subjective evaluation of the consumer's experience in relation to their initial expectations. In the context of Sharia-compliant hotels, service quality aligned with Islamic values greatly influences customer satisfaction levels (Ningsih, 2023). Customers who perceive the services as being in line with their religious beliefs tend to feel more satisfied and form a more positive perception of the hotel.

Word of Mouth (WOM)

Word of mouth (WOM) is an informal form of promotion that holds significant influence in the service industry, including hospitality. Customer satisfaction plays a key role in driving WOM behavior. Satisfied customers

are more likely to recommend the hotel to others (Wardi et al., 2018). In Sharia-compliant hotels, the application of Islamic values can strengthen customers' emotional loyalty and encourage them to share positive experiences.

Customer Satisfaction

Several studies reveal that customer satisfaction can act as a mediating variable between service quality and WOM. In the study by Suhud et al. (2023), satisfaction was found to mediate the relationship between perceptions of Sharia-based services and customer loyalty, including in the form of WOM..

METHODOLOGY

This study employs a quantitative research approach aimed at examining the influence of Sharia value implementation on word of mouth (WOM), mediated by customer satisfaction in Sharia hotels. The research uses a survey method with a structured questionnaire distributed to customers who have stayed at Sharia-compliant hotels in City X. The sampling technique applied is purposive random sampling, targeting respondents who meet specific criteria, such as being Muslim and having experienced services in Sharia hotels at least once in the past year. A total of 100 respondents were selected to ensure adequate representation and statistical analysis. The collected data were analyzed using Structural Equation Modeling (SEM) to test the relationships among variables and the mediating role of customer satisfaction. This methodology allows for a comprehensive understanding of how Sharia-compliant service values affect customers' intention to share positive experiences.

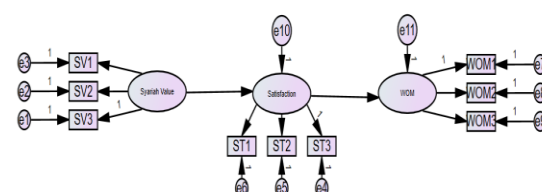


Figure 1. Conceptual Framework

RESULTS AND DISCUSSION

Results

1. Loading Factor

The loading factor indicates the strength of the connection between an indicator and its latent construct. In SEM-AMOS, an indicator is deemed valid if its loading factor is 0.50 or higher, with a preferred threshold exceeding 0.70 (Hair Jr. et al., 2017).

Table 1. Loading Factor

Estimate			
SV1	<---	SV	.800
SV2	<---	SV	.841
SV3	<---	SV	.842
CS3	<---	CS	.822
CS2	<---	CS	.852
CS1	<---	CS	.842
WOM1	<---	WOM	.804
WOM2	<---	WOM	.852
WOM3	<---	WOM	.844

2. Reliability and Average Variance Extracted (AVE)

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) and 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. Reliability and AVE

Variable	Reliability	AVE
Sharia Value	0,852	0,604
Customer Satisfaction	0,843	0,735
Worth of Mouth (WOM)	0,818	0,607

3. 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 3. Hypothesis (direct)

Variable	Estimate	S.E.	C.R.	P	Criteria
Sharia Value »					
Customer Satisfaction	.420	.250	2.345	.020	Significant
Customer Satisfaction »					
Word of Mouth (WOM)	-.422	.222	2.660	.029	Significant

Table 4. Hypothesis (indirect)

Variable	Sobel Test		Criteria
	t-stat	P-value	
Sharia Value »			
Customer Satisfaction »	2.75	0.005	Significant
WOM			

Discussion

The Relationship between Sharia Values and Customer Satisfaction

The implementation of Sharia values in the hospitality industry involves principles such as honesty, fairness, responsibility, and services aligned with Islamic law. These services include not serving alcohol, providing prayer facilities, and maintaining gender boundaries (Suhud et al., 2023). These values not only serve as norms but also act as a differentiation strategy in the marketing of Sharia-compliant hotels. Research by Islami, Mundir, and Farida (2024) demonstrates that consistent implementation of Sharia principles significantly enhances customer trust and comfort.

In the context of Sharia-compliant hotels, the quality of services aligned with Islamic values has a significant influence on customer satisfaction levels (Ningsih, 2023). Customers who feel that the services align with their religious values tend to feel more satisfied and develop a positive perception of the hotel. A study by Sugiyanto and Adityawarman (2024) also shows that the application of Sharia

principles in the operations of Sharia-compliant hotels in Semarang significantly affects consumer satisfaction. This shows that the consistent application of Sharia values enhances customer satisfaction.

The findings of this study suggest that Sharia-compliant hotels can enhance customer satisfaction by integrating core Islamic values into their operations. Hotels that emphasize Sharia values, such as offering halal food and prayer facilities, can build stronger relationships with their customers. This, in turn, increases customer loyalty and long-term patronage.

The Relationship between Customer Satisfaction and Word of Mouth (WOM)

Customer satisfaction is the subjective evaluation of a customer's experience compared to their initial expectations. In Sharia-compliant hotels, the quality of service aligned with Islamic values significantly impacts customer satisfaction levels (Ningsih, 2023). Customers who perceive services as aligned with their religious beliefs tend to feel more satisfied and form a more positive perception of the hotel.

Word of mouth (WOM) is an informal form of promotion that significantly influences the service industry, including hospitality. Customer satisfaction plays a key role in driving WOM behavior. Satisfied customers are more likely to recommend the hotel to others (Wardi et al., 2018). In Sharia-compliant hotels, the application of Islamic values can strengthen emotional loyalty and encourage customers to share positive experiences with others.

Research by Yolanda et al. (2024) also shows that customer satisfaction mediates the relationship between service quality and WOM. This indicates that customer satisfaction plays a crucial role in encouraging customers to recommend the hotel to others.

So, Sharia-compliant hotels should focus on enhancing customer satisfaction as it significantly impacts WOM, which can lead to increased customer referrals and positive publicity. By ensuring that their services are in line with Sharia values, hotels can promote organic marketing through satisfied customers, leading to more loyal customers and increased word-of-mouth recommendations.

Customer Satisfaction as a Mediator between the Implementation of Sharia Values and Word of Mouth

Several studies have shown that customer satisfaction can act as a mediating variable between service quality and WOM. In the study by Suhud et al. (2023), customer satisfaction was found to mediate the relationship between perceptions of Sharia-based services and customer loyalty, including WOM. Research by Yolanda et al. (2024) also supports this, showing that customer satisfaction mediates the relationship between service quality and WOM. This suggests that customer satisfaction plays a crucial role in encouraging customers to recommend the hotel to others.

Therefore, it can be concluded that the application of Sharia values in Sharia-compliant hotels can enhance customer satisfaction, which, in turn, encourages customers to share their positive experiences through WOM. This mediation effect further strengthens the connection between Sharia service values and the intention to recommend the hotel.

So, this study highlights the importance of customer satisfaction as a mediator in the relationship between Sharia service values and WOM. Sharia-compliant hotels should invest in improving their service quality and customer experience, as this will not only enhance satisfaction but also drive positive word-of-mouth recommendations. By ensuring that the services are in line with customers' religious expectations, hotels can foster a loyal customer base that actively promotes the hotel to others.

CONCLUSION

This study explores the influence of the implementation of Sharia values on word of mouth (WOM), mediated by customer satisfaction in Sharia-compliant hotels. The findings suggest that the consistent application of Sharia values, such as providing services that align with Islamic principles, significantly enhances customer satisfaction. Satisfied customers are more likely to engage in positive WOM, recommending the hotel to others. Additionally, customer satisfaction serves as a mediator in the relationship between the implementation of Sharia values and WOM, emphasizing the importance of aligning hotel services with customers' religious and ethical expectations.

This research contributes to the understanding of how Sharia values in hotel operations can serve as a competitive advantage, leading to increased customer satisfaction and positive WOM. By focusing on providing services that meet religious standards and expectations, Sharia-compliant hotels can differentiate themselves in the competitive hospitality market, fostering customer loyalty and gaining long-term patronage.

Future Research

Future studies could expand on the findings of this research by exploring the specific aspects of Sharia values that most influence customer satisfaction and WOM. For instance, research could examine whether certain Sharia practices, such as halal food offerings or prayer facilities, have a stronger impact on customer satisfaction than others. Additionally, investigating the role of other mediators, such as customer trust, emotional attachment, or brand loyalty, could provide deeper insights into the dynamics of customer behavior in Sharia-compliant hotels.

Moreover, future research could consider different geographical locations, comparing the impact of Sharia value implementation on customer satisfaction and WOM across regions with varying cultural and religious backgrounds. Longitudinal studies may also offer valuable insights into how these relationships evolve over time, providing a better understanding of customer loyalty in Sharia-compliant hotels.

Lastly, exploring the perspective of hotel employees and their perceptions of the importance of Sharia values in shaping customer satisfaction and WOM could add another layer to the existing body of knowledge.

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