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A Study on Consumer Attitude towards Shariah-Compliant Hotel: Assessing on Halal Image and Religiosity

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Abstract

This study aims to examine the relationship between *halal* image and religiosity on the attitude of consumers towards purchasing *Shariah*-compliant hotel services in Klang Valley. Data collected using the survey method and 420 usable questionnaires were received from the respondents. A regression analysis was conducted to test the hypotheses. The results of the study showed that the proposed *halal* image, religiosity, and consumer attitudes variables have a significant effect on customer purchase intention towards the *Shariah*-compliant hotel. The result also shows that there is a significant relationship between attitude and customer purchase intention towards *Shariah*-compliant hotels. The result of this study would be able to assist the hotel managers in decision making, particularly in selecting the right image for *Shariah*-compliant hotels.

Keywords: Attitude, Halal Image, Purchased Intentions, Religiosity.

Introduction

The concept of *Shariah*-compliant hotel has been added to the Islamic hospitality and tourism in Malaysia. A lot of effort and attention are paid toward the development of hotels that are *Shariah*-compliant (Salleh et al., 2014). *Shariah*-compliant hotel is widely referred to as a hotel that provide customers with services that are created as well as delivered following *Shariah* rules and principles (Haque, Azam, & Chowdhury, 2019). *Shariah* is an Arabic word means the path to be followed (Hyder, 2017). *Shariah* governs every aspect of daily life and provides a moral and legal framework for Muslim.

Religion has been continuously proven to be a key factor that impacts the consumption behaviour of individuals (Muhamad & Mizerski, 2010). The same applies to the hotel industry as Muslim consumers demand hotels that provide facilities that comply with *Shariah* principles (Haque

et al., 2019). With the increasing number of Muslim tourists making tourism businesses want to develop and promote products that correspond to the needs of their Muslim consumers and understand their behaviour such as products related to the hospitality and services (Shafaei & Mohamed, 2014).

For such reasons, *Shariah*-compliant hotels have been represented as a crucial aspect of Islamic tourism. Therefore, gaining a clear understanding of the factors that can affect the behavior of purchasing Muslim consumers against *Shariah*-compliant hotel is very important because it will allow the marketers to acquire the necessary knowledge, develop appropriate images and emphasize the different aspects that are important for serving Muslim consumers. By taking into consideration the current needs as well as trends, this study aims to explore the factors that may affect consumer attitude purchase intention towards *Shariah*-compliant hotels.

Literature Review

Halal Image and Purchase Intention

The word *Halal* is derived from the verb 'Halla', which means lawful, legal, licit, legitimate, and permitted for Muslims (Jallad, 2008). In reality, *Halal* is a spiritual need of Muslim consumers (Alserhan, 2010) that plays a vital role in their life by sending them a signal to purchase and consume permissible products (Rajagopal et al. 2011; Shafie & Othman, 2006). In marketing, *halal* is used to understand the rights of products and services with principles in the Quran and *Syariah* (Suki and Salleh, 2016; Lada, Tanakinjal, & Amin, 2009). From an Islamic perspective, *halal* image can reflect the perception of consumers especially Muslims against the characteristics of the brand maintaining in their memory and will then influence the manufacture of their purchasing decisions (Suki & Salleh, 2016). Likewise, rights in Islam are taken by consumers based on the reason that Islamic values have a profound impact on the social ethics of their society, especially Muslims and their consumption patterns (Khraim, 2010). Literature proves that there is likelihood of consumers to have the desire to purchase from manufacturing with *halal* images and withstand non-*halal* images, and consumers' intention to patronizing *halal* stores is also based on *halal* image decisions (Suki & Salleh, 2016).

Religiosity and Purchase Intention

Religiosity demonstrates one's belief in the overall accuracy and quality of truth built in the teachings and religious scriptures (Moschis & Ong, 2011). According to Mokhlis and Sparks (2007), religious commitments found to have significant influence on a person, cognitively, and behaviorally. Religious commitments have been found to be the main drivers of both Muslims as well as attitudes, behaviors, lifestyles of non-Muslim consumers as well as usage habits (Salman & Siddiqui, 2011 and Mukhtar & Butt, 2012). They further indicated that, religious commitment in the form of the basis of the consumption choice for consumers along with Muslim and non-Muslim, and the religious commitment helps them choose the right path in their decision making and their lives. Religion also plays an important role in the field of consumer behavior (Sun, Goh, Fam, & Xue, 2012). According to Rehman and Shabbir (2010), religion will help consumers especially Muslims, in terms of making differentiation between permissible and non-permissible products. The consumers' behavior and attitude toward selection, purchase, and consumption of the products and services depend on their religious principles (Khraim, 2010). This statement is supported by Said, Hassan, Musa, and Rahman

(2015) that religious commitment has relationships with halal consumption. It was confirmed by Jamal and Sharifuddin (2015) and Borzooei and Asgari (2013) that consumers' religiosity is essential to the formation of the consumers' intention to purchase the product and services.

Attitudes and Purchase Intention

An attitude is considered an encouraging or unfavorable assessment of an individual's behavior (Ajzen, 1991). He has further added that peoples' attitude can be understood by taking into consideration the behavioral beliefs and connecting the respected behaviors to different outcomes and attributes. Ajzen and Fishbein (2005) stated that individuals formulate their attitude based on their beliefs about the outcome of conducting certain behaviors. He further explained that the outcome of the behavior can either be seen as a behavioral belief, the expectations of a person's outcome as well as the costs and benefits of implementing their behaviour. Previous studies indicated that the attitude has a significant relationship on purchase intention, which is drawn from consumers' favorable attitude towards halal products and services (Abd Rahman et al., 2015; Mukhtar & Butt, 2012; Alam & Sayuti, 2011). Similar findings were also uncovered by Lada et al. (2009) that Muslim consumers' intention of purchasing *halal* food products is predicted by their attitude toward the respective product. Majority of the findings of past literature demonstrate that attitude is an important aspect that is strongly associated with Muslim consumers' purchase intention. On this basis, the following framework was proposed.

Conceptual Framework

This study is designed to examine the consumer attitudes towards *Shariah*-compliant hotel. A modified Ajzen Theory of Planned Behavior (Fishbein and Ajzen, 1975) was adopted. Based on the conceptual framework, there are two independent variables proposed for the study which are halal image and religiosity. The following hypotheses were proposed:

H₁: There is a positive relationship between halal image and purchase intention towards *Shariah*-compliant hotels.

H₂: There is a positive relationship between religiosity and purchase intention towards *Shariah*-compliant hotels.

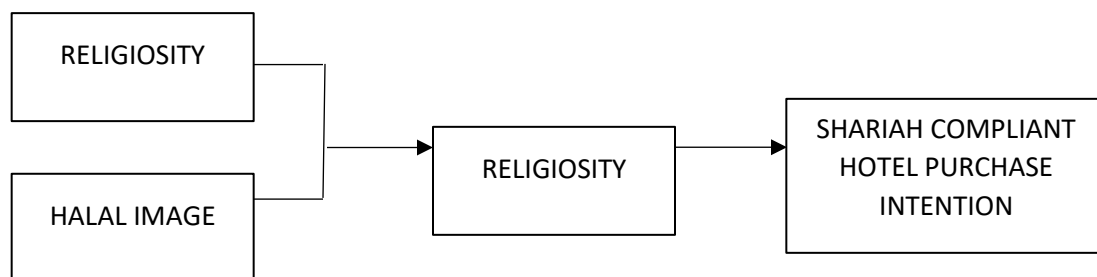


Figure 1: A Proposed Framework on The Relationship between Religiosity, *Halal* Image and Attitude on *Shariah*-compliant Hotel Purchase Intention

Methodology

The study adopts a quantitative research method to examine the effects of halal image, religiosity, and attitude among Muslim consumers on their purchase intention of *Shariah*-compliant hotels in Klang Valley, Malaysia. A total of 42 hotels have been recognized to be under the Muslim-Friendly Accommodation Recognition (MFAR) scheme (Yusof, 2020). The major reason for choosing Klang Valley lies in the fact that it consists of majority of the tourist destinations in the nation. Random sampling method was adopted as it has the least bias and offers the most generalizability (Sekaran, 2005). Data were gathered from 420 participants through a self-administered questionnaire. The questionnaire was designed in a statement format and then tested for reliability and validity. A five-point Likert-type scale was used as the measurement of scale where 1 represented strongly disagree and 5 denoted strongly agree. The questionnaire was divided into four parts. The first part gathers the demographic profile of the participating respondents and the second part consists of statements on the *Halal* Image. The third part investigates the respondents' level of religiosity and the fourth part is on consumer attitudes towards purchase intention. All the measures used in the study were adapted from existing studies related to *Shariah*-compliant Hotels. The Statistical Package for Social Science (SPSS) version 26 was employed for analyzing the data. Table 1 depicts the sources from where the items have been adapted. The reliability test for all of the variables has been conducted to determine the reliability of the instrument.

Table 1: Reliability Test

| Component | Cronbach's Alpha | Sources |
|--------------------|------------------|---|
| Halal Image | .856 | Awan et al. (2015); Yunus et al. (2015) |
| Religiosity | .913 | Rehman and Shabbir (2010) |
| Purchase Intention | .919 | Haque et al (2015); Lada et al. (2009) |

Result and Analysis

Purchase intention can be described as a key antecedent that creates consumers' purchase behavior (Nguyen et al., 2010). Prior studies stated that to understand consumers' purchase behavior was through what affected their intentions (Ghalandari & Norouzi, 2012). Many factors influence the intention of the consumer. This study focuses on assessing the consumer purchase intention by looking at the two variables which are *halal* image and religiosity. The discussion on the study findings is on demographic, *halal* image, religiosity, consumer purchase intention, and the analysis of the relationship.

Demographic

The demographic background for the total number of 420 respondents is presented in Table 2. Most of the respondent's ages are between 20 to 30 years old (66.5%), 31 to 40 years old (29.8%), and 41 to 55 years old (3.8%). In terms of gender distribution, females contributed to 55.7% whereas

44.3% of the respondents are males. 44.5% of the respondents were self-employed, 15% are civil servants, and 33.3% worked with private sectors.

Table 2: Demographic Profiles of the Respondents.

| Variables | Frequency | Percentage (%) |
|-------------------|-----------|----------------|
| Gender | | |
| Male | 186 | 44.3 |
| Female | 234 | 55.7 |
| Age | | |
| 20 to 30 | 279 | 66.5 |
| 31 to 40 | 125 | 29.8 |
| 41 to 55 | 16 | 3.8 |
| Race | | |
| Malay | 414 | 98.5 |
| Chinese | 4 | 1.0 |
| Indian | 0 | 0 |
| Others | 2 | 0.5 |
| Occupation | | |
| Self-employed | 187 | 44.5 |
| Government | 63 | 15.0 |
| Private | 140 | 33.3 |
| Not Working | 30 | 7.2 |
| | | 100% |

Halal Image

The second part of the study is to measure *the halal* image towards *Shariah*-compliant hotels. Table 3 explains the five items that measure the *halal* image. The mean scores revealed that the respondents agree with each of the statement items. The highest mean score is 4.20 and a standard deviation of 0.542 for an item, "*Shariah*-compliant hotels is trustworthy about *halal* promises". The second highest is "*Shariah*-compliant hotels is the best benchmark for *Halal* commitments" with a mean score (M=4.19) and a standard deviation of 0.535. The third highest mean score is "*Shariah*-compliant Hotel has good Islamic entertainment and recreational facilities" with a mean score (M=4.16) and a standard deviation of 0.636. The fourth highest mean score is 4.16 with a standard deviation of 0.555 for item, "*Shariah*-compliant hotels are environment friendly". The fifth highest score is "*Shariah*-compliant Hotels addresses all my *halal* concerns" (M=4.15) with a standard deviation of 0.531. This outcome shows that consumers agree that *Shariah*-compliant hotels can be trusted about *halal* promises but they less agree that *Shariah*-compliant hotels can be addressed as consumers' *halal* concerns. This shows that there is a significant relationship between *halal* image and purchase intention towards *Shariah*-compliant hotels.

Table 3: Halal Image on Shariah-Compliant Hotel

| No | Scale Items | N | Minimum | Maximum | Mean (M) | Standard Deviation (SD) |
|----|--|----|---------|---------|----------|-------------------------|
| 1 | <i>Shari</i> <i>ah</i> -compliant Hotels is the best benchmark for <i>halal</i> commitments. | 20 | 2 | 5 | 4.19 | 0.35 |
| 2 | <i>Shari</i> <i>ah</i> -compliant Hotels addresses all my <i>halal</i> concerns. | 20 | 2 | 5 | 4.15 | 0.31 |
| 3 | <i>Shari</i> <i>ah</i> -compliant Hotels is trustworthy about <i>halal</i> promises. | 20 | 3 | 5 | 4.20 | 0.42 |
| 4 | <i>Shari</i> <i>ah</i> -compliant Hotels are environment friendly. | 20 | 2 | 5 | 4.16 | 0.55 |
| 5 | <i>Shari</i> <i>ah</i> -compliant Hotel has good Islamic entertainment and recreational facilities. | 20 | 2 | 5 | 4.16 | 0.36 |

Religiosity

The third part of the study measures consumer purchase intention which is influenced by religiosity. The results show that the respondents agree with each of the statements in the questionnaire. The highest mean score at 4.61 is "Religion is especially important to me", "My religious faith is extremely important to me" with a mean score of 4.58. The respondents seem to agree with "Religious beliefs influence all my dealings in life" with a mean score (M=4.53). The results also revealed that respondents feel that they can practice religion openly while traveling. Purchasing *halal* products and

services are socially accepted. This implies that the religious belief will influence consumer's decision-making in choosing a *Shariah*-compliant Hotel when traveling. This shows that there is a significant relationship between religiosity and consumer purchase intention towards *Shariah*-compliant hotels.

Table 4: Religiosity on Shariah-Compliant Hotel

| Item | Scale Items | N | Minimum | Maximum | Mean (M) | Standard Deviation (SD) |
|------|---|----|---------|---------|----------|-------------------------|
| 1 | My religious faith is extremely important to me. | 20 | 3 | 5 | 4.58 | 0.557 |
| 2 | I feel I can practice my religions openly while traveling. | 20 | 3 | 5 | 4.43 | 0.533 |
| 3 | Religious beliefs influence all my dealings in life. | 20 | 3 | 5 | 4.53 | 0.567 |
| 4 | Religion is especially important to me. | 20 | 2 | 5 | 4.61 | 0.536 |
| 5 | Purchasing Halal products and services has more social and family acceptance. | 20 | 2 | 5 | 4.40 | 0.571 |

Correlation Analysis

Correlation analysis has been conducted in this study to measure the strength of the linear relationship between variables. The results show that *halal* image has a strong significant relationship with purchase intention which is more than 0.5. Thus, religiosity shows a moderate relationship with purchase intention which is less than 0.5. Table 5 represents the correlation coefficient between the independent and dependent variables.

Table 5: Pearson Correlation Matrix for Study Variables

| Dimensions | Test of Significant | Student Satisfaction | Correlation Coefficient Indicator |
|-------------|-----------------------------|----------------------|-----------------------------------|
| Halal Image | Pearson | .743** | Strong |
| | Correlation Sig. (2-tailed) | .000 | |
| | N | 420 | |
| Religiosity | Pearson | .476** | Moderate |
| | Correlation Sig. (2-tailed) | .000 | |
| | N | 420 | |

Correlation is significant at the 0.01 level (2-tailed)

Table 6: Summary of Hypotheses Testing

| H _x | Hypothesis | Finding |
|----------------|---|-----------|
| H ₁ | There is a positive relationship between <i>halal</i> image and purchase | Supported |
| H ₂ | There is a positive relationship between religiosity and purchase intention | Supported |

Conclusion

This paper focuses on assessing *halal* image and religiosity on consumer purchase intention towards *Shariah*-compliant hotels. The results indicate that *halal* images have a significant relationship with consumer purchase intention towards the *Shariah*-compliant hotel. This result has in common with a previous study where marketers need more focus on creating more *halal* images in their establishment (Lada et al., 2009; Suki and Salleh, 2016). The *halal* image gives positive consumer perceptions, especially when using products and services during their stay in *Shariah*-compliant hotels. Although the study shows positive relationships between *halal* image, religiosity, and purchase intention, hoteliers still need to improve their product and services in strategizing the business in invention and innovation towards consumer *halal* perceptions. Hoteliers may also need to improve and avoid any products and services that may offend the religious belief of consumers. In conclusion, the outcome of this study will give additional information to *Shariah*-compliant hotels especially hotels in Klang Valley. The hotels can improve their products and services according to their customer needs and wants. Further research on awareness and readiness of consumer acceptance on *Shariah*-compliant hotels and services are encouraged.

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