

The Influence of Information, Selection of *Halal* Tourism Destination, and Marketing Mix on Tourist Satisfaction and Loyalty

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Abstract: As a new segment of the tourism industry, *halal* tourism enjoys continuous growth worldwide, especially in Indonesia. This paper discusses the influence of information on the selection of *halal* tourism destinations and the influence of marketing mix, which are product, price, place, people, processes, promotion and physical evidence on the satisfaction and loyalty of the tourists. This is a quantitative research, using consecutive sampling data collection techniques and closed questionnaire. The results of this study indicate that the type of information influences the selection of *halal* tourism destinations. Meanwhile, the marketing mix, of people and physical evidence, and *halal* tourism destinations influence the tourist's satisfaction, which eventually affects the loyalty.

1 INTRODUCTION

Tourism industry continues to grow in the past decade and poses enormous potential. A publication of the UN World Tourism Organization (UNWTO, 2016) records increase in international tourists visit globally. Muslim tourism industry is not an exception.

The world market for Muslim tourism industry is predicted to have reached US\$151 billion (excluding Hajj pilgrimage and umrah) in 2015. This number equals 11% of global expenditure market that reached US\$1.3 trillion. Muslim tourism market is predicted to continue soaring and reach US\$243 billion in 2021. Muslim tourism market is currently ranked second in global tourism income source, after China, with US\$168 billion, and followed by the US, with US\$147 billion. Furthermore, Indonesia is also among the top 6 Muslim consumer travel expenditure markets, which are Saudi Arabia, with US\$19,2 billion, United Arab Emirates (UAE), with US\$15,1 billion, Qatar, with US\$11,7 billion, Kuwait, with US\$9 billion, Indonesia, with US\$9 billion, and Iran, with US\$7.2 billion (Thomson Reuters Islamic Finance, 2016).

Indonesia has not been taking advantage of this potential market. A report published by the Master Card and Crescent Rating in 2016 ranked Indonesia

as the fourth most favorite country visited by Muslim tourists. The first place was Malaysia, followed by UAE, and Turkey. Indonesia is not even within the top 10 *halal* travel destination, referring to a study issued by the Thomson Reuters Islamic Finance in 2016. The study uses four indicators, which are the number of inbound Muslim tourists, development of *halal* tourism ecosystem, *halal* tourism awareness, and *halal* tourism contribution to employment.

A limited source of information regarding *halal* tourism is the biggest obstacle and needs serious improvement. Various sources of information, such as friends, families, or the internet, should have been the supporting tools in promoting *halal* tourism, but it is not well managed yet. The same thing can be said about the type of information, such as transportation means, accommodation, religious facilities, shopping options, food selection, and living cost. Improvements in these sectors need to be taken because they are the lure of *halal* tourism. Studies regarding marketing mix (product, price, place, people, processes, promotion, and physical evidence) of *halal* tourism should also be taken as consideration in benchmarking tourist satisfaction and loyalty, which will encourage them to revisit the destination. However, there are still limited numbers of studies on these subjects, as the existing studies only discuss the definition of *halal* tourism, syariah hotel and *halal*

food. Based on the background, the purpose of this study is to:

- To Analyze the type of information influences the selection of *halal* tourism destinations
- To Analyze the influence of marketing mix on muslim tourist satisfaction
- To Analyze the influence of Muslim tourist's satisfaction on their loyalty for intention revisit or give recommendation

2 LITERATURE REVIEW

2.1 Halal Tourism

Halal tourism usually addresses people with the Islamic faith, though it also possesses universal attraction, such as fair pricing, peace, security, friendly environment and hygiene, whilst firmly referring to Islamic principles (OIC, 2015). *Halal* tourism is defined as activities conducted by Muslims heading to certain destinations, without compromising Islamic principles and value (Jafari and Scott, 2014). Thus, the concept of *halal* tourism is also perceived as a way of praying and preaching (dakwah), in which the tourists are visiting one destination after another to receive the blessing from God and to repent and not to repeat their mistakes (Kamarudin, 2012).

2.2 Information

Information received by the consumers will shape a perception, which in marketing is more important than the reality (Kotler and Keller, 2012). This research divides information into a source of information and type of information.

a. Source of information

Nowadays, the source of information is even more diverse than ever. The followings are several sources of information regarding tourism: (1) Friends and families. Family members, friends, and colleagues are the source of information as to where or whom to visit (Din, 1989). (2) The last source of information is the internet, (Kamarudin, 2012).

b. Type of information

Type of information is the information that is directly needed by tourists to fulfill their needs while they are on tour. Various distinct information on *halal* tourism is making it different from general tourism information. The information provided should include Islamic

teachings and other details that are needed by Muslim tourists.

The following hypotheses are proposed to test the causal relationship between information and selection of *halal* tourism destination:

H1: Source of information influences the selection of *halal* tourism destination

H2: Type of information influences the selection of *halal* tourism destination

2.3 Halal Tourism Destination

Destinations in *halal* tourism should be related to God's majesty and should not violate Islamic teachings (Din, 1989). The destination is a geographical location situated in one or more administrative area(s) that has a tourist attraction, praying facility, public facility, tourism facility, accessibility, and local communities in the area who help to support the tourism that suits the Syariah concept (DSN MUI, 2016).

There are six dimensions that determine the characteristics of tourism destination, which is known as the Six A's Framework (Buhalis, 2000). These set of rules are used by tourists to evaluate their tourism destination options. They are:

- Attraction (natural, manmade, imitation of natural attraction, purpose of construction, etc.)
- Accessibility (the whole transportation system that consists of routes, terminals and vehicles)
- Amenities (accommodation and food selection, retails, other tourism services)
- Available tourism package
- Activities (all activities that are available at the tourist destination and what the tourists will do during their visit)
- Ancillary service (services that tourists will take benefit from, such as banking, cellular communication, newspaper, etc.)

The following hypotheses are proposed to test the causal relationship between a selection of *halal* tourism destination and tourist satisfaction:

H3: *Halal* tourism destination influences the tourist satisfaction.

2.4 Marketing Mix

The marketing mix is a group of marketing tips that are used by companies to reach their marketing objectives. Kotler, McCarthy introduced a new classification of marketing, which consists of product, price, place, promotion, people, processes, and customer service. Marketing Islamic products should be carried out according to Islamic values.

This brings new factors to the marketing mix, which are promise and patience (Abuznaid, 2012). This research will focus on Islamic marketing mix on *halal* tourism. The following hypotheses are proposed to test the causal relationship between marketing mix, which consists of product, price, place, people, promotion, processes, and physical evidence, and tourist satisfaction:

- H4: Product influences tourist satisfaction.
- H5: Price influences tourist satisfaction.
- H6: Place influences tourist satisfaction.
- H7: Promotion influences tourist satisfaction.
- H8: People influences tourist satisfaction.
- H9: Processes influences tourist satisfaction.
- H10: Physical evidence influences tourist satisfaction.

2.5 Tourist Satisfaction

Tourist satisfaction is the most important element in behavior analysis and the most important indicator of the success of a tourist attraction (Jang and Feng, 2007). It should be the highest aspect and the benchmark in the success of tourism management (Yoon and Usual, 2005). Tourist satisfaction serves

as performance evaluation, making it crucial in tourism competition. Satisfaction is the feeling of happiness or disappointment as a result of comparing the performance of the goods and services with the expectation or perception (Kotler and Keller, 2012).

2.6 Tourist Loyalty

Tourist loyalty is very important. Many tourist destinations prioritize return visits of the tourists as it requires less cost than promotion to new tourists (Opperman, 2000). In this context, it is important to learn if Muslim tourists would return to visit the same destination. Tourist loyalty is also influenced by the satisfaction of the tourism destination (Rahman, 2014). In tourism, the measurement takes place in return visit and recommendation to other people (friends and families).

The following hypothesis is proposed to test the causal relationship between tourist satisfaction and tourist loyalty:

- H11: Tourist satisfaction influences tourist loyalty.

All the aforementioned hypotheses can be mapped into the following framework:

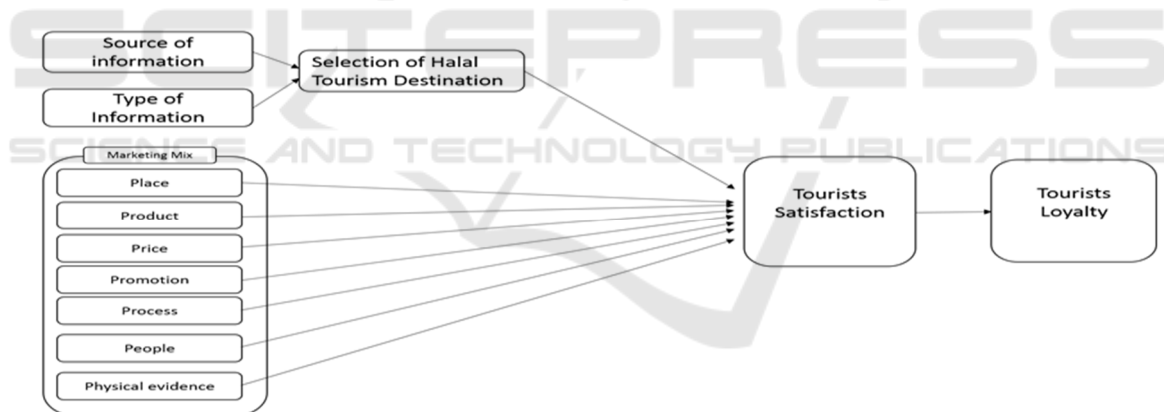


Figure 1: Framework.

3 RESEARCH METHODOLOGY

This is a quantitative research using Structural Equation Modeling (SEM) method and Partial Least Square (PLS) regression analysis. Data used in this research consist of primary and secondary data. Primary data is obtained from surveys and questionnaires. The questionnaires are addressed to Muslim tourists who have visited a *halal* tourism destination in Indonesia in the past year. Secondary data comes from literacy studies of books, journals, websites and other sources.

Targeted population of this research are all Muslim tourists, either local or foreign, aged at least 17 years old, and have visited a *halal* tourism destination in Indonesia. The sampling method is using non-probability sampling, considering the fact that the targeted population is erratic and large in number.

Screening is carried out before conducting interviews because respondents have to fulfill inclusion and exclusion requirements. The inclusion requirements are local or foreign tourists, Muslim, aged at least 17 years, and are willing to participate in the research. The exclusion requirements are local or

foreign tourists who have visited a destination for tourism purposes. The number of samples is determined by complying with the Structural Equation Modeling (SEM) analytical technique, using Smart PLS software this research uses data from 294 respondents.

4 RESULTS AND DISCUSSION

4.1 Reliability Test

Reliability and validity tests are initially meant to complete a structural model examination. The weight of the factors in the research can help calculating the validity of each indicator and help to test the reliability of the constructs of the variables that are being researched. Indicators with factor loading less than 0.4 will be removed from the model. The acceptable composite reliability value is above 0.6. Referring to the factor loading test, there are several indicators that score below 0.4, which means they have to be removed from this model. In the first model, 15 manifest variables or indicators were removed.

4.2 Convergent Validity

In this research, the convergent validity of several latent variables is learned from the Average Variance Extracted (AVE) value. The AVE value is acceptable when all latent variables score above 0.5, confirming the convergent validity. The values of all the variables in this research are above 0.5, which means all the convergent validities are accepted.

4.3 Discriminant Validity

The discriminant validity of a model is acceptable if the Fornell-Larcker Criterion statistical value of each latent variable is higher than the correlation value between one variable and another. Data processing reveals that each variable has bigger Fornell-Larcker

Criterion statistical value than its inter-variable correlation value. Thus, all the instruments fulfill the discriminant validity criteria. The Discriminant Validity test also reveals that the correlation value between one variable and the variable itself is higher than the correlation value between the one variable and the other variables.

4.4 Composite Reliability

Composite Reliability is an index that displays the reliability of research instruments. The value of reliability index can be assessed from the value of Cronbach's Alpha and Composite Reliability. The higher the Composite Reliability (>0.7), the more reliable it is (Henseler, 2009). Data processing result shows high Cronbach's Alpha value for each latent variable (>0.8). This is in accordance with the high value of Composite Reliability, which reaches above 0.9. This means all the instruments in this research are reliable.

4.5 Structural Model Test

Structural Model is a model that connects exogenous latent variable and endogenous latent variable, or one endogenous latent variable and another. The source of information and type of information give 31% contribution to the selection of tourism destination, which means there are other variables that make 69% contribution. Tourism destination and marketing mix, which consists of product, price, place, people, promotion, processes, and physical evidence, contribute 22% to tourist satisfaction. There are still other variables with 78% contribution to tourist satisfaction. Eventually, tourist satisfaction has 9% contribution to tourist loyalty, which means other variables have 91% contribution to tourist loyalty.

The next step is running hypothesis test to prove whether there is significant influence between one variable to another. The path diagram of the hypothesis test is served below:

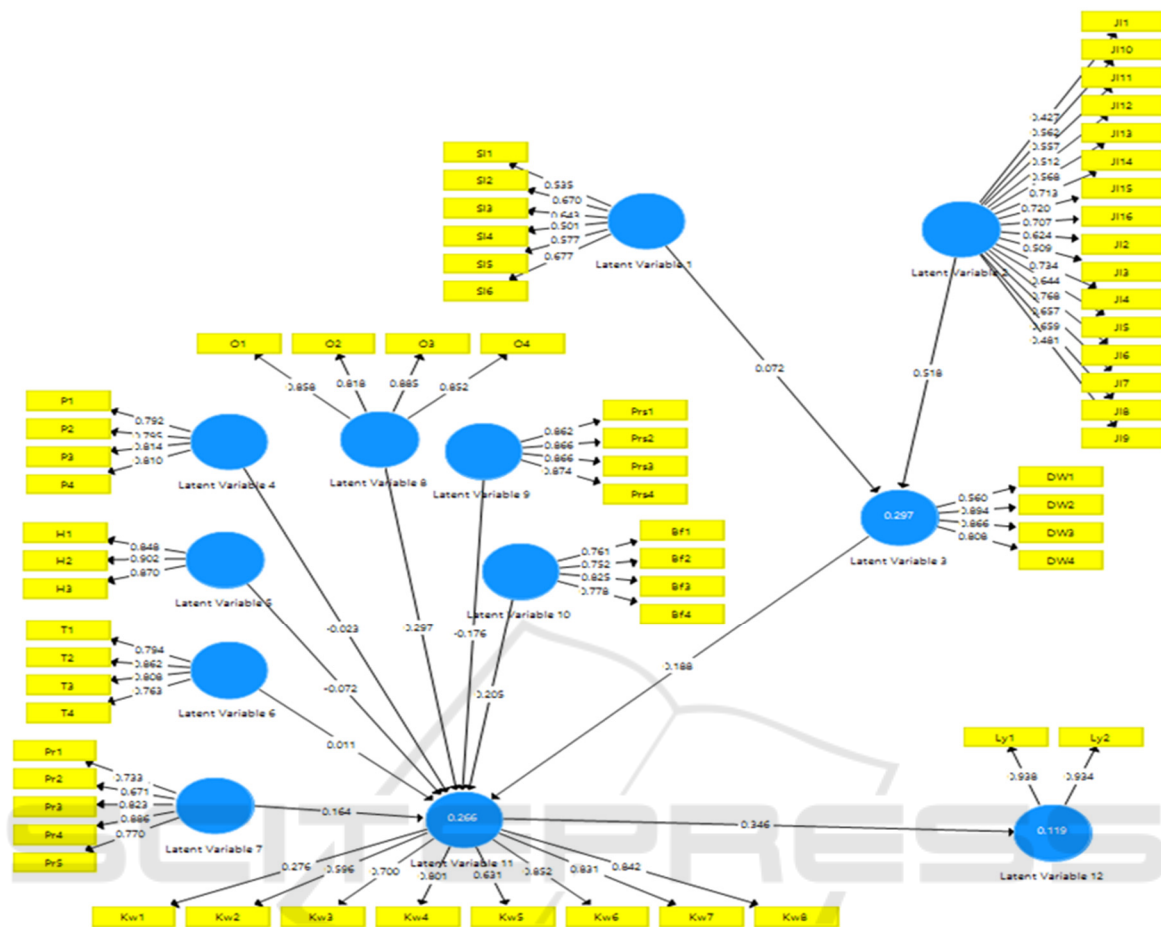


Figure 1: Hypothesis path diagram.

4.6 Discussion

4.6.1 Source of Information Influence on the Selection of Tourism Destination

It can be concluded from the test results that the source of information does not influence the selection of tourism destination. This result occurs because the scope of the source of information variable is limited to only the source where the information is obtained. The source of information may or may not encourage tourists to select certain tourism destination. It is most probable that these sources of information only share information and knowledge regarding several tourism destinations, but do not encourage the tourists to choose the destination (Ho, Lin, and Chen, 2012). This gives space for other factors or perceptions in selecting tourism destination. This result is also in line with The Five-Stage Model. It consists of problem recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior (Kotler and Keller, 2012).

4.6.2 Type of Information Influence on the Selection of *Halal* Tourism Destination

It can be concluded from the test results that type of information has significant influence in the selection of tourism destination. This result is similar to a research in Thailand (Paingpis Sriprasert, 2014). The research reveals that majority of Muslim tourists visiting Andaman Bay would prefer spending time at marine tourist attractions, and only a relatively small number of them are interested in visiting cultural, historic, or religious places. Thus, a huge number and a wide range of types of information regarding the tourism destination are necessary to support the tourists in selecting the tourism destination.

4.6.3 *Halal* Tourism Destination Influence on the Tourist Satisfaction

It can be concluded from the test results that *halal* tourism destination influences tourist satisfaction.

Further analysis shows that Indonesian natural tourist attractions are the determining factor of tourist satisfaction in selecting tourism destination. This is in line with another research stating that Satisfaction depends on the physical attribution of the destination (supply) and the psychological and emotional interpretation of the tourist on the destination (demand) (Yoon and Usyal, 2005).

4.6.4 Product Influence on Tourist Satisfaction

It can be concluded from the test results that product does not have a significant influence on tourist satisfaction. Researchers believe this is due to lack of innovation and lack of management quality for Muslim tourists. Two crucial factors in this case are innovation and management, as well as good coordination and accordance to Islamic teachings (Abuznaid, 2012). Another reason is the lack of fulfillment for Muslim tourists. (Kamau, Waweru, Lewa, and Misiko, 2015).

4.6.5 Price Influence on Tourist Satisfaction

It can be concluded from the test results that price does not influence tourist satisfaction. Researchers believe this is caused by overpriced tourism packages in Indonesian tourism destinations. Monopoly and one-sided intervention are not allowed in Islam. The prices at tourism destinations should be fair and benefit both the sellers and consumers, as well as supported by price transparency. Other analysis reveals that the prices offered by tourism agency are often overpriced, as mentioned in a research regarding the prices of tour packages that influence tourist dissatisfaction (Sarker, Aimin, and Begum, 2012).

4.6.6 Place Influence on Tourist Satisfaction

It can be concluded from the test results that place does not influence tourist satisfaction. Further analysis reveals that most Indonesian tourism destinations are still not accessible in terms of transportation, accommodation, and proper religious facilities. This is in line with another research (Abuznaid, 2012) that finds out that accessibility is a crucial factor. Another possible reason is that tourists do not find any unique characteristics of the destinations, making the marketing less influential (Truonga, Lenglet, and Mothe, 2016).

4.6.7 Promotion Influence on Tourist Satisfaction

It can be concluded from the test results that promotion does not have a significant influence on tourist satisfaction. Researchers believe this is caused by many promotions that do not suit the actual condition of tourism destinations in Indonesia. Both sellers and consumers should have upheld honesty and fairness, especially in product promotion, because it is their responsibility to God (Abuznaid, 2012). The promotion has to include accurate and factual information. If promotion fails to address the factual condition, it will not have any influence on tourist satisfaction, other than disappointment (Rahayu, 2015).

4.6.8 People Influence Tourist Satisfaction

It can be concluded from the test results that people influence tourist satisfaction. People aspect includes customer satisfaction, quality services, politeness, hospitality, and honesty in serving the customers. Islamic marketing mix obligates people to dress politely (Abuznaid, 2012). Employees are also obliged to respect the rights and privacy of customers and not to inflict mistrust.

4.6.9 Processes Influence on Tourist Satisfaction

It can be concluded from the test results that processes do not influence tourist satisfaction. This is because there is still coercion in the marketing of Indonesian tourism destinations, such as the obligation to take certain vehicles to certain destinations, leaving the tourists' vehicles parked at locations far from the destination. Lack of managerial skills ends up in lack of communication between the tourism destination management and customers. These are in contrary to the processes element in Islamic marketing mix, which includes procedures, mechanism, and series of activities for which the services are offered. There should be no coercion to customers in all aspects of tourism. Quick and accurate services also should be prioritized. (Prayag, Hosany, and Odeh, 2013).

4.6.10 Physical Evidence Influences Tourist Satisfaction

It can be concluded from the test results that physical evidence influences tourist satisfaction. Researchers believe that the main necessity for Muslim tourists while visiting tourism destinations is facilities.

Buildings are the indicator of the physical evidence of the facilities. Prohibition on gambling hubs and discotheques are not negotiable for Muslim tourists because those places are against the Islamic teachings. (Abuznaid, 2012).

4.6.11 Tourist Satisfaction Influences on Tourist Loyalty

It can be concluded from the test results that tourist satisfaction influences tourist loyalty. Majority of the respondents admit their satisfaction on Indonesia's natural beauty. This is in line with the selection of tourism destination of the majority of the respondents, which are natural tourist attractions. Tourist satisfaction on the tourism destinations will lead to loyalty (Rahman, 2014) and return visitor recommendation (Peppers and M, 1995).

5 CONCLUSIONS

This research indicates that Muslim tourists need a kind of valid and accurate information to find tourism destination. Furthermore, natural tourism is one of the destinations that provide satisfaction for Muslim tourists. Beside of the marketing mix, there are 2 factors which have a positive influence on the tourist's satisfaction is personal and physical evidence, a good service like friendly waiters will be a good value as well as the availability of places of worship and restaurant *halal*. The muslim tourist satisfaction will influence the loyalty of tourists, at the end they will return to visit and provide recommendation of the sights to others.

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