



Factors Influencing Muslim Consumers' Satisfaction and Loyalty of Restaurant in Yogyakarta, Indonesia

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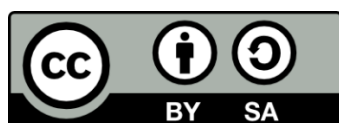
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Abstract

The objective of this study is to investigate the factors that affect Muslim customers' satisfaction and loyalty in Yogyakarta, Indonesia. Customers of restaurants in Yogyakarta are all Muslims. Non-probability sampling was administered to collect data and total of 120 questionnaires were collected. Questionnaires were delivered directly to the target respondents both in person and online by employing a Google form. The Statistical Equation Modeling (SEM) analysis tool, available in IBM® SPSS® Amos, was administered to determine the data. The study's findings demonstrate that customer satisfaction is positively and significantly influenced by product quality, service quality, and halal certification. In addition to that, customer loyalty is significantly influenced by customer satisfaction. Customer loyalty is directly impacted by factors such as product quality and service quality, but halal certification does not possess a positive or significant direct impact on loyalty. Halal assurance must pass through the satisfaction intervening variable before having an impact on loyalty.

Keywords: Customer Satisfaction; Halal Certification; Loyalty; Product Quality; Service Quality

INTRODUCTION

People who adhere to the Islamic faith are referred to as Muslims. Muslims are only permitted to consume halal products in accordance with their religious teachings. Halal refers to what is permitted or allowed, including food ([Riaz and Chaudry, 2004](#)). Halal food consumption in Indonesia has a big market. According to State of the Global Islamic Economy Report 2022, Indonesia Becomes the 4th top spending on Halal Food and Beverage Consumer in the World. Malaysia is followed by Saudi Arabia, the UAE, and Indonesia. Muslim spend on halal food was valued at US\$1.27 trillion in 2021 and forecast to reach US\$1.67 trillion by 2025 ([Dinar Standard, 2022](#)). Although consumers incorporate all parties, they can also refer to individuals or institutions who employ the product to fulfill their needs or desires. A product is needed by a person, a business, a social group, or a service organization, either for use by the end user (the final consumer) or for processing later on for commercial purposes ([Kotler and Keller, 2016](#)).

Except for those specifically mentioned (haram) in the Qur'an and the Prophet Muhammad SAW's Hadiths, all food and beverages are Halal ([Hussein, 2006](#)). Food and drink that are forbidden in Islam are mentioned in Surah Al Baqoroh [2] as the primary source of law: 173: You are only prohibited from eating carrion, blood, pork, and animals that are given names when they are slaughtered by Allah. However, if someone is made to eat something they do not want to and does not break the law, they are not guilty of sin. Undoubtedly, Allah is Most Forgiving and Merciful. A food or beverage's status as halal or not can depend on three factors: its original nature, the ownership process, and the method of ownership ([MES, 2014](#)).

One of the organizations working to serve the targeted consumers is the company. Businesses are typically of a commercial nature. Businesses with a commercial focus operate with the intention of turning a profit. If a business can operate profitably, which is defined as having more income (revenue) than costs (expenses) incurred to produce that income, then profits will be realized. Consequently, it has become essential for the business to implement various strategies to ensure that large company transactions generate income that is greater than the sum of all associated costs.

A restaurant business is a generally commercial enterprise that operates with the goal of turning a profit. There are many different types available, based on the products being offered. Products that restaurants generally offer to satisfy customers' appetites and dietary needs. In order to satisfy these needs and desires, eating serves a number of purposes, including satiating hunger, nutritional requirements for the body, or certain sensations and desires.

Special Region of Yogyakarta is a province in Indonesia. This city is known both in Indonesia and abroad as a city of students and tourism ([DIY Provincial Tourism Office, 2022](#)). The availability of restaurants is a crucial amenity for a city that attracts tourists and students. In this province, there were 846 restaurants that were formally registered in 2018; by 2022, that number had grown to 1198, or by 84%. ([DIY Provincial Tourism Office, 2022](#)). If we incorporate the unofficial stalls and eateries that cater to numerous students, tourists, and students in Yogyakarta, this number will be even higher.

Yogyakarta is home to a large number of eateries, each with a distinct target market and niche. However, it has inevitably resulted in fiercer competition. Due to globalization and the

advancement of knowledge, technology, and information, the level of competition in today's market is merely to be expected (Kotler and Keller, 2016). Due to intense competition, businesses must operate effectively and provide benefits to the customers who generate their target market (Hooley, et al, 2020). Similar to the restaurant industry, the food service industry needs to have a competitive advantage in order to maintain customer loyalty. Product quality, service quality, restaurant ambiance, accessibility, and price perception are characteristics of restaurants with repeat business (Ing et al., 2020).

Numerous studies on restaurants have been conducted, and a variety of factors and variables, encompassing product quality and service quality (Messabia et. Al., 2022). While in Saudi Arabia Celebrity endorsement and its attributes doesn't have the impact on customer buying behaviour (Kooli et. al., 2018). Halal is also a key idea for Muslims when it comes to consuming all of the products available, both in the travel and food industries (Harahsheh. et al., 2020). Muslims should therefore pay attention to halal product guarantees when purchasing products. These can incorporate the halal logo (Khan & Khan, 2020), halal certificates (Takeshita, 2020), and halal guarantees for animals which have been slaughtered (Fuseini et al., 2021).

In light of the need to confirm the findings of studies by Harahsheh et al. (2020) as well as the expanding restaurant industry in Yogyakarta, research on product quality, service quality, and halal certification of restaurant products is required. Previous research shows there was no information on the product quality, service quality, and halal assurance for Muslim customers in Yogyakarta restaurants that are officially registered and listed in the middle and upper categories, and that the environment has no impact on customer satisfaction. Furthermore, there are still limited scientific publications regarding the impact of product quality, service quality, and restaurant halal certification on customer satisfaction and loyalty recently in Yogyakarta (Sumadi, 2022).

The current study aims to explore whether there is a positive and significant relationship between the independent variables of product quality, service quality, and halal certification and customer satisfaction and loyalty. Customer satisfaction serves as a stepping stone or intervening in this study between the independent variable and the dependent variable on loyalty.

LITERATURE REVIEW

Customer Loyalty

A customer who prioritizes subscribing to the products or services offered by a business is understood to have high customer loyalty (Ing et al., 2020; Kotler & Keller, 2016). Customer loyalty typically develops as a result of general customer satisfaction with a company's goods and services (Oliver, 1999). Due to a number of factors that came before it, customer satisfaction occurred (Oliver, 1999). A company will profit financially from customer loyalty to its products and brands (Kotler & Keller 2016). The re-purchase, which is the entry of money with a specific nominal amount, results in economic benefits. After subtracting various costs that have been incurred, the amount of money that is put into the business will become income, and the result will be a profit or loss for the business. Customer satisfaction in restaurants can lead to loyalty (Yildirim et al., 2022, Sheikhesmaileli & Hasbavi, 2019), and also product and service excellence (Uddin, 2019).

Customer Satisfaction

Customer satisfaction is the achievement of consumers' general expectations (Zeithaml et al., 2010). Consumers' perceptions of how well a product or service performed in relation to their expectations or promises are known as satisfaction (Kotler & Keller, 2016). Customers will be satisfied if the actual performance is at least as good as or better than what was promised by the business or what the customer expected (Kotler & Keller, 2016). Customers who are pleased with the services they receive from the business will have favorable attitudes and behaviors toward the business, so customer satisfaction plays a crucial role for the business. These attitudes and behaviors include enjoying using the company's goods or services, spreading the word through word of mouth, which is an efficient informal marketing strategy, and being devoted to the brand and business. Clients who are happy will remain loyal (Oliver, 1999).

Customer satisfaction has an impact on patient loyalty in hospitals as an independent variable and as an intermediate variable, according to the findings of several prior studies (Yildirim et al., 2022.) In restaurants, customer satisfaction owns a positive and significant impact (Ing et al., 2020; Uddin, 2019; Subrahmanyam, 2017). In light of this, this study generates the following hypothesis:

H1. Customer satisfaction affects restaurants loyalty in Yogyakarta.

Product Quality

A product, in the eyes of marketing science, is anything that can be made available to a market in order to draw interest, purchase, use, or consumption and satisfy a need or desire. Products can be tangible items, services, people, places, businesses, or even concepts (Kotler & Keller, 2016). Furthermore, according to Kotler and Keller (2016), the core benefits that customers actually purchase when they purchase a product are what the product is all about—how it can be used to solve a problem or the essential elements of goods and services or the primary advantages resulting from their existence. Quality is also appropriateness for use (Juran, 1988). A product, from the standpoint of marketing, is the union of several characteristics (Ulrich & Eppinger, 2012).

The operational or production concept dictates that quality must adhere to predetermined standards (Ulrich & Eppinger, 2012). A quality product must adhere to the rules or requirements established by the manufacturer. Consumers at the end of the supply chain or business customers demand and expect the product to match their expectations and desired sacrifices. The consumers demand higher quality the greater the sacrifice.

The idea of product quality should focus on how the provided goods must be able to satisfy customers' needs. The target audience must be informed of the standard requirements. Manufacturers offer a wide range of tangible product types, and each type of product requires a unique set of features and requirements. Products are provided by restaurants in the form of food. Although there are many different kinds and varieties of food, the qualities of food in restaurants can generally be expressed in terms of taste, aroma, freshness, warmth, nutritional value, color, and dosage.

Previous studies' findings on the relationship between product quality and customer

satisfaction in restaurants were generally favorable and significant (Sheikhesmaili & Hazbavi, 2019; Uddin, 2019; Subrahmanyam, 2017). Product quality and restaurant customer loyalty are positively and significantly correlated in several earlier studies (Sheikhesmaili & Hazbavi, 2019; Ing et al., 2020; Uddin, 2019; Subrahmanyam, 2017; Suhartanto et al., 2018). The following theory is put forth by this study regarding the impact of product quality on restaurant customer satisfaction and loyalty:

H2: At restaurants in Yogyakarta, product quality has a positive impact on customer satisfaction.

H3: In Yogyakarta restaurants, customer loyalty is positively impacted by the quality of the products.

Service Quality

Services are acts performed for the benefit of another party and are typically intangible and do not involve the transfer of ownership (Kotler & Keller, 2016). In order to solve issues, find solutions, or satisfy their needs comfortably and satisfactorily, some parties need services. According to Lovelock & Wirtz (2011), services have a number of characteristics, incorporating the fact that they are rendered or produced at the same time as the product is consumed, that people who use them are frequently involved in their creation, and that while the input required to produce them is the same, the outcomes may differ or be variable.

Restaurants are a type of business that have a complex customer service model because they must constantly enhance both the quality of their products and their customer service. According to Zeithaml et al. (2010) the ability to deliver services promptly, accurately, and satisfactorily are the three reliability dimensions that are used to evaluate the quality of services. The other two dimensions are direct evidence (tangibles) and reliability. Response time, or the preparedness of all personnel involved in responding, assurance in the form of expertise, serviceability, and empathy, specifically in the form of attention and communication to support client needs.

The findings of earlier studies can offer an explanation for why customer satisfaction and loyalty are influenced by service quality. According to Sheikhesmaili & Hazbavi (2019), Ing et al. (2020), Uddin (2019), Subrahmanyam (2017), and Suhartanto et al. (2018), service quality has a positive and significant impact on restaurant customers. Additionally, service excellence has a positive and significant impact on restaurant customer loyalty (Sheikhesmaili & Hazbavi, 2019, Ing et al., 2020; Uddin, 2019; Subrahmanyam, 2017; Suhartanto et al, 2018). The study formulates the hypotheses:

H4: Service quality has a positive influence on customer satisfaction at restaurants in Yogyakarta.

H5: Service quality has a positive influence on customer loyalty at restaurants in Yogyakarta.

Halal Assurance

Halal is Arabic for "allowed" (Riaz & Chaudry, 2004). The term "Halal Guarantee" refers to a promise that information conveyed via words, logos, images, or other signs is compliant with

sharia, or Islamic law. For Muslims, halal is important, as is halal assurance (Harahsheh et al., 2020). A halal logo (Khan & Khan 2020) and halal certificate (Takeshita, 2020) can be used to realize halal assurance. The two researchers discovered that halal has a positive and significant impact on consumers' decisions to buy food items for their homes. The quality of restaurant goods that adhere to Islamic law possesses a favorable and significant impact on customers' willingness to make purchases, according to the findings of several earlier studies, Muslim consumers in the UK can accept halal guarantees for the slaughter of livestock, and halal equity has a significant impact on consumer behavior when it comes to eating out and traveling (Preko et al., 2022). According to additional research, it is crucial for business owners to implement halal assurances for meat through supply chains or supply chain management (Alyanti et al., 2022). The halal logo for food products listed on the packaging has a positive and significant impact on consumer attitudes and behavior, according to researchers, as explained by Sumadi (2022). In this regard, this study proposes these hypotheses:

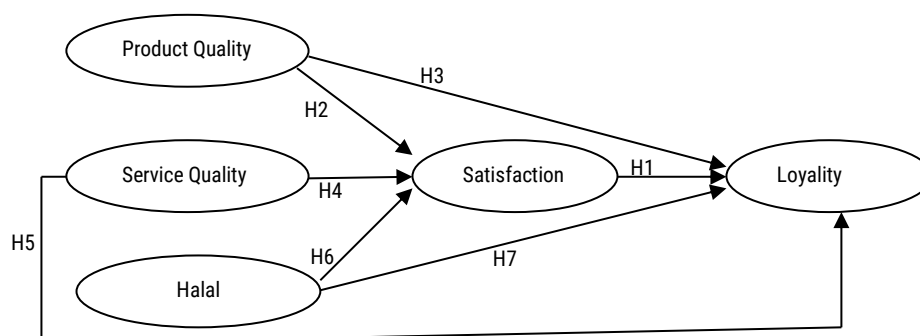
H6: Restaurant halal assurance has a positive influence on satisfaction for restaurant customers in Yogyakarta.

H7: Restaurant halal assurance has a positive influence on loyalty for restaurant customers in Yogyakarta.

RESEARCH METHOD

This study aims to demonstrate whether the independent variables of product quality, service quality, and halal certification have a favorable impact on customer satisfaction and loyalty to Yogyakarta restaurants. Customer satisfaction acts as a intervening between the independent variable and the dependent variable in the causality research design, which uses three (three) independent variables to predict one dependent variable. The proposed framework or research model is.

Figure 1
Research Model



This study was limited to only Muslim restaurants in Yogyakarta. This study uses cross-sectional survey design by utilizing a self-administered questionnaire. The researchers distributed questionnaire both online and offline. The targeted respondents were those who patronized Muslim restaurants at least twice in the previous 6 months. Questionnaire distributed during 3 months since May up to July 2022.

Number of samples determined by the formula approach suggested by Berenson et al. (2019). Based on a preliminary analysis of 40 respondents, it is obvious that 37 respondents are under the influence of the independent variable and that satisfaction possesses a positive impact on repurchase or loyalty. As a result, $37/40 = 0.925$ represents the proportion (π) of the effect of loyalty on satisfaction. Then the number of samples can be determined:

$$n = \frac{(Z_{1/2\alpha})^2 \cdot \pi (1 - \pi)}{(e)^2}$$

$$n = \frac{(1.96)^2 (0.925)(1 - 0.925)}{(0.05)^2} = 106.6044$$

These calculations indicate that 107 respondents constitute the bare minimum sample size. Around 200 copies of the questions were distributed to the respondents, and only 180 respondents were incorporated in the sample for this study. The returned questionnaires were selection to ensure all questions is answered, then from 180 only 120 questionnaires were adequate.

RESULTS AND DISCUSSION

Data Description

Responses from 120 respondents who satisfy the preparation process' requirements are then administered to process the data. As stated in the list of questions, the first step in data processing is to compute and create a demographic table. [Table 1](#) provides a demographic breakdown of the respondents based on the data that has been collected.

Normality Test and Outlier Data

The objective of the normality test is to determine whether the collected data is normal or not. Meanwhile, the outlier test is employed to determine whether the data already collected differs from the required data in any significant way. One prerequisite for examining with a parametric statistical approach is normal data. The Structural Equation Model (SEM) method, a type of parametric statistics, was employed to analyze this study. If the skewness number is in the range of ± 2.58 , the data satisfies the standard criteria. In the interim, it is examined the numbers calculated by Mahalanobis to identify the outlier data ([McLachlan, 1999](#)). The question indicator 30 is applied in this study. Therefore, it is known that the critical table number is 112.022 using 0.01 and $df = 30$. Based on the calculations, it can be concluded that the collected data satisfies the standard criteria because the skewness number is less than or equal to -2, 58, or +2.58. According to the Mahalanobis results, no data outliers were discovered because none of the detected data had values higher than 112.022.

Table 1*Respondent demography*

No	Demography Characteristics	Category	N	%
1	Gender	Male	62	52.00
		Female	58	48.00
		Total	120	100.00
2	Age	Less 20 years	12	10.00
		26 years – 35 years	36	30.00
		36 years – 45 years	39	35.50
		45 years and overs	33	27.50
		Total	120	100.00
3	Occupation	Students	22	18.33
		State employee	18	15.00
		Private employee	53	44.17
		Businessman	15	12.50
		Others	12	10.00
		Total	120	100.00
4	Education	Yunior Shool and less	4	3.30
		Senior High Schoool	66	55.00
		University	50	41.70
		Total	120	100.00
5	Income per month	Rp 3 millios and less	22	18.33
		Between Rp 3 – Rp 5 millions	62	51.67
		Rp 5 millions and overs	36	30.00
		Total	120	100.00

Source: Primary data (2022)

Validity and Reliability Test

Prior to using the SEM approach to test the hypothesis, a Validity and Reliability analysis utilizing convergent validity and composite reliability were performed. The indicator's suitability to reveal latent endogenous and exogenous variables is assessed using a validity test. The indicator is valid or appropriate to reveal latent variables if the sig or p number is less than 5% or 0.05, according to the test criterion. The reliable composite number results are administered to determine the latent variable's reliability. If the reliable composite number is greater than 0.60, the variable meets the criteria to be used to explain the concepts of exogenous and endogenous latent variables. The outcomes of confirmatory testing are presented in [Table 2](#). The indicators employed for this study are appropriate and can explain the variables used when the results and the criteria above are considered.

Model Testing using GOF

The model suitability test will clarify whether or not the research model is compatible with the structural concept developed or advanced by the researcher. Goodness of Fit (GOF) analysis is administered in this test. The probability value of 0.054, greater than 0.05, indicates the fit model with empirical data based on the analysis and calculations through several modifications to the modified indices number that links the indicators to the same variable status. Other fit criteria, such as CMIN/DF 1.823 (≤ 2.00), GFI 0.914 (≥ 0.90), AGFI 0.922 (≥ 0.90), TLI 0.906 (≥ 0.90), CFI 0.918 (≥ 0.90), and RMSEA 0.062 (≤ 0.08), also support this. As a result, the structural model

employed as an analytical tool in this study satisfies the goodness of fit requirements and can be applied.

Table 2
Convergent validity and composite reliability test

Indicator	Loading factor	ϵ_i	Convergent Validity		Composite Reliability	Status
			Cr. Ratio	p		
Product Quality					0,694	reliable
KP1	0,571	0,674	4,077	0,000		valid
KP2	0,668	0,554	4,220	0,000		valid
KP3	0,609	0,629	4,045	0,000		valid
KP4	0,555	0,692	1,000	0,000		valid
Service Quality					0,901	reliable
KI 1	0,275	0,924	2,705	0,000		valid
KI 2	0,543	0,705	4,703	0,000		valid
KI 3	0,537	0,712	1,000	0,000		valid
KI 4	0,643	0,587	5,274	0,000		valid
KI 5	0,595	0,646	4,765	0,000		valid
KI 6	0,493	0,757	4,152	0,000		valid
KI 7	0,557	0,690	4,761	0,000		valid
KI 8	0,512	0,738	4,430	0,000		valid
KI 9	0,664	0,559	5,243	0,000		valid
KI 10	0,567	0,322	4,548	0,000		valid
KI 11	0,663	0,322	5,081	0,000		valid
KI 12	0,666	0,322	5,167	0,000		valid
KI 13	0,473	0,322	4,018	0,000		valid
KI 14	0,535	0,322	4,468	0,000		valid
KI 15	0,455	0,322	4,004	0,000		valid
KI 16	0,645	0,322	5,072	0,000		valid
Halal Assurance					0,931	reliable
JH 1	0,805	0,352	1,000	0,000		valid
JH 2	0,959	0,080	12,917	0,000		valid
JH 3	0,942	0,113	12,758	0,000		valid
Satisfaction					0,805	reliable
KS1	0,763	0,418	6,191	0,000		valid
KS2	0,910	0,172	5,799	0,000		valid
KS3	0,592	0,650	1,000	0,000		valid
Loyalty					0,857	reliable
LP1	0,814	0,337	7,99	0,000		valid
LP2	0,822	0,324	8,03	0,000		valid
LP3	0,743	0,448	7,675	0,000		valid
LP4	0,716	0,487	1,000	0,000		valid

Source: Primary data (2022)

Hypothesis Test

Testing the hypothesis is the next step in relation to the research findings and discussion. It was previously mentioned that seven hypotheses had been proposed for this study. [Table 3](#) demonstrates the outcomes of data processing using the Amos SEM approach statistical tools, as well as critical ratio and sig. numbers and standard regression coefficient values

Table 3

Results of regression of standardized coefficient and hypotheses test

Variables	Standardized coefficient regression	Critical Ratio	Sig	Conclusion
Product quality → satisfaction	+0.028	+1.986	0.000	Significant
Product quality → loyalty	+0.024	+1.965	0.000	Significant
Service quality → satisfaction	+0.523	+2.205	0.000	Significant
Service quality → loyalty	+0.163	+1.980	0.000	Significant
Halal assurance → satisfaction	+0.319	+3.244	0.000	Significant
Halal assurance → loyalty	+0.060	+0.561	0.547	Not significant
Satisfaction → loyalty	+0.602	+3.625	0.000	Significant

Source: Primary data (2022)

The objective of this study's first hypothesis is to demonstrate whether customer satisfaction has a favorable impact on loyalty. The standard regression coefficient is positive 0.602 and the sig. 0.000, according to the results in the table above. With the results illustrating a positive correlation and a sig. smaller than 0.05, it can be concluded that hypothesis 1, which claims that customer satisfaction affects restaurants' loyalty in Yogyakarta, is acceptable. These findings are consistent with and corroborate those of earlier studies using hospital objects by Yildirim et al. (2022) and restaurant objects by Sheikhesmaili & Hazbazi (2019), Uddin (2019), and Subrahmanyam et.al. (2017).

The second theory contends that customer satisfaction at restaurants in Yogyakarta is positively impacted by the quality of the products. According to the findings in the above table, the standard regression coefficient is positive (0.028) and the sign is 0.000. This statistic supports the idea that product quality influences customer satisfaction at Yogyakarta restaurants in a favorable way. These findings are pertinent and can be used to support restaurant research from Messabia et. al., (2022), Ing et al., (2020), and Subrahmanyam (2017).

The third hypothesis further asserts that customer loyalty at restaurants in Yogyakarta is positively impacted by product quality. According to the findings in the above table, the standard regression coefficient is positive (0.024) and the sign is 0.000. This statistic supports the idea that product quality influences customer loyalty at restaurants in Yogyakarta in a favorable way. These findings are reliable and can be administered to support studies by Subrahmanyam (2017), Zhu (2022), and Ing et al. (2021).

The fourth supposition asserts that customer satisfaction at restaurants in Yogyakarta is positively impacted by service quality. According to the findings in the above table, the standard regression coefficient is positive and is 0.523, with a sig. 0.000. This data supports the validity of the hypothesis that customer satisfaction at Yogyakarta restaurants is positively correlated

with service quality. These findings are pertinent and can be employed to support restaurant research from Ing et al. (2020), Uddin (2019), and Subrahmanyam (2017).

The fifth supposition contends that customer loyalty at restaurants in Yogyakarta is positively impacted by service quality. According to the findings in the above table, the standard regression coefficient is positive and is 0.319, with a sig. 0.000. This statistic demonstrates that the hypothesis is not disproved. These findings are reliable and can be employed to support restaurant research from Ing et al. (2020), Subrahmanyam (2017), Zhu (2022), Suhartanto et al. (2018), and Bichler et al. (2021).

According to the sixth hypothesis, restaurant halal assurance increases Yogyakarta restaurant customers' satisfaction. According to the findings in the above table, the standard regression coefficient is positive and is 0.319, with a sig. 0.000. This statistic shows that the hypothesis is correct. These findings are reliable and can be used to support the work of Harahsheh et al. (2020).

Meanwhile, based on the seventh hypothesis, restaurant halal assurance influences Yogyakarta restaurant customers' loyalty favorably. According to the findings in the above table, the standard regression coefficient is positive 0.060 and the sig. is 0.547. This data disproves the notion that Yogyakarta restaurant customer loyalty is unaffected by halal guarantees, which is a hypothesis that cannot be accepted. The study's findings indicate that they conflict with the research of Khan & Khan (2020) and with those of Fuseini et al. (2021).

Customer Satisfaction as an Intervening Variable

The framework or research model demonstrates that the independent variables of product quality (KP), service quality (KL), and halal assurance (JH), which are responsible for the development of customer loyalty (LO), may do so either directly or indirectly through intervening variables or satisfaction (KS). A Sobel test approach has been administered to determine whether the impact of the satisfaction intervening variable is significant or not. The test results are demonstrated in Table 4 using the coefficient (a) and standard error of estimate (see) of the independent variable and the intervening variable.

Table 4
Satisfaction as mediating variable by Sobel test

	Independent Variables		Mediating Variables		Result and Status		
	a	SEE	a	SEE			
PQ→SAT→ LO	0.030	0.151	0.554	0.153	0.1984	0.80	Not significant
SQ→ SAT→ LO	0.699	0.317	0.554	0.153	1.8833	0.05	Significant
HA→ SAT→ LO	0.228	0.070	0.554	0.153	2.4220	0.01	Significant

Source: Primary data (2022)

The role of the satisfaction variable as an intermediate variable for product quality is not significant, according to tests using the Sobel test, the results of which are demonstrated in Table 4. The caliber of the products that restaurants offer can have a direct impact on customer loyalty. In the meantime, using the significance level of the test (α), it is necessary to pass through the satisfaction variable for the independent variables of service quality and halal

assurance to create customer loyalty. It implies that loyalty is shaped in part by satisfaction. Although the test results are below the 5% threshold, the service quality variable has a direct impact on loyalty and also has a significant impact on customer satisfaction. While the restaurant's halal guarantee does not directly affect customer loyalty in a positive and significant way, it does affect it indirectly through the customer satisfaction variable. Thus, to build customer loyalty, restaurant halal assurance has to prioritize customer satisfaction.

CONCLUSION

As a result of this study, it can be indicated that atmosphere, product quality, and service quality all have a positive and significant impact on Muslim customers' loyalty in Yogyakarta. Customer loyalty is directly influenced by the quality of the goods and services offered. Customer loyalty is directly impacted by factors such as product quality and service quality, but halal certification does not possess a positive or significant direct impact on loyalty. Halal assurance must pass through the satisfaction intervening variable before having an impact on loyalty. In order to build customer loyalty, restaurant halal assurance has to prioritize customer satisfaction. Customer satisfaction is directly influenced by the quality of the goods and services offered.

The findings of this study call for a greater understanding of the significance of halal certification in restaurants and the caliber of their goods and services by all parties involved in the restaurant industry. Service quality refers to issues relating to how to serve in a way that can satisfy customers. In contrast, product quality refers to things that are inherent in the elements of restaurant products, such as taste, aroma, nutritional value, hygiene, presentation, and others. To prevent customers from feeling as though they have broken Islamic law or committed a sin by consuming the product, halal guarantees are made in relation to the products that are made available to customers.

Although researchers made an effort to ensure that the sample was representative of all restaurant customers in Yogyakarta, this study possesses a number of limitations, incorporating the fact that the sample size and geographic scope are still quite constrained and the study was only conducted in Yogyakarta. Furthermore, research is completed elsewhere in Indonesia for future studies, and it is essential to perceive the supply chain for halal raw ingredients needed by restaurants as well as other factors not mentioned in this study.

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