

## **Analysis of Factors Affecting Consumer Preferences of the Hotel Syariah in Bandung City**

**Ahmad Gemma Nurrahman**

Halim Sanusi University Bandung, Indonesia

[ahmadgemma@uhs.ac.id](mailto:ahmadgemma@uhs.ac.id)

### ***Abstract***

This study aims to analyze the factors that influence consumer preferences in choosing sharia hotels in Bandung City. The subjects of this study are consumers who have stayed at Sharia Hotels in Bandung City where there are 5 hotels namely Cinnamon Hotel Boutique syariah, Noor hotel Bandung, Narapati Syariah hotel, Ruby hotel syariah, Daarul Jannah Cottage. Sampling using Purposive Sampling technique with data analysis using logistic regression method and descriptive analysis. In this study, factors that influence consumer preferences were found, namely tariffs, location, and halal awareness.

**Keywords:** *Sharia Hotel, Bandung City, Consumer Preferences*

### **INTRODUCTION**

Indonesia is the country with the largest Muslim majority population in the world. As a country with a majority Muslim population, Indonesia's existing tourism facilities and infrastructure have been considered quite friendly to Muslim tourists. The Islamic-based economic sector has recently increased significantly, including culinary, Islamic finance, insurance industry, fashion, cosmetics, pharmaceuticals, entertainment, and tourism. Where the entire sector carries the concept of halal in each of its products, the Islamic Economy Sector that has experienced significant growth in lifestyle products in the tourism sector is sharia tourism. The tourism industry is certainly closely related to the accommodation business, especially the hotel business.

Bandung City is one of the cities that is popular as a tourist destination, including for people from various backgrounds, including religious people. Since the majority of Indonesia's population is Muslim, it is not surprising that many tourists want to travel halal tourism in Bandung. Halal tourism has become a new phenomenon in the tourism industry and has begun to develop in various regions in Indonesia. West Java, including Bandung City, is considered to have great potential in developing halal tourism. The city of Bandung is currently showing significant progress in the development of a leading city as an urban parastatal.

The growing demand from Muslim tourists towards halal tourism has increased the segmentation of accommodation, especially in the hotel sector. One type of accommodation that is widely chosen by tourists is sharia hotels. Sharia hotels are one of the hotel models that offer certain facilities that are in accordance with Islamic values. Its development opens up promising market opportunities that should be based on the concept of non-alcoholic, abuse-free adultery. This makes it easy for guests to stay comfortable and safe. The concept of sharia hotels has existed in Middle Eastern countries for the past few years, and currently the number of sharia hotels in Indonesia is also increasing.

Sharia hotels offer services and facilities in accordance with sharia principles, and unlike conventional hotels that several times contradict Islamic rules. Sharia hotels are increasingly in demand by tourists in the city of Bandung, not only by Muslims, but also by those who are looking for a quiet and comfortable hotel atmosphere. Along with the increasing demand for Muslim tourists looking for lodging in accordance with sharia rules, the number of sharia hotels in Bandung City is also increasing. However, the number of sharia hotels is still limited compared to conventional hotels in Bandung. Some sharia hotels in the city of Bandung include Cinnamon Hotel Boutique syariah, Noor hotel Bandung, Narapati Syariah hotel, Ruby hotel syariah, Daarul Jannah Cottage.

Karim explains in Islamic consumption theory that the decision making of a consumer is always based on a comparison between various preferences, opportunities and benefits and madharat that exist. Preference is a sense of liking, choice or something that consumers like. The theory of consumption behavior states that a person's decision to carry out the results of economic calculations rationally and consciously will choose products with the greatest usefulness according to taste and relative cost. As for the theory of motivation by Maslow (1943) the hierarchy of needs in which lists human needs physiologically and security, this is also related to the purpose of halal tourism providing security guarantees and meeting the needs of Muslim tourists.

Consumer preferences play an important role in choosing a sharia hotel. Preference is a person's choice of a product or service. Some factors that influence consumer preferences in choosing a hotel include quality, price, promotion, and product display. Consumer preference for sharia hotels can be seen from the aspects of halal, price suitability, service quality, hotel popularity, and hotel atmosphere. However, there are guest experiences that

don't always match preferences. Guest experience includes experience during stay at the hotel, satisfaction with services and facilities, and compliance with the rules and values of sharia applied at the hotel. Although the concept of halal tourism and sharia hotels is popular among tourists, there are still some tourists who do not understand the concept of sharia hotels and preferences in choosing them.

From previous research Satrija (2019), Widyarini (2014), and Rahardi (2016) examined the factors that influence consumer preferences in choosing sharia hotels and it is proven that several factors have an influence so that it becomes the basis that there are factors that influence consumer preferences in choosing sharia hotels. Previous research brought up different results on each site and also the similarity of significant factors so that researchers will retest with different sites, namely 5 sharia hotels in the city of Bandung, namely Cinnamon Hotel Boutique syariah, Noor hotel Bandung, Narapati Syariah hotel, Ruby hotel syariah, Daarul Jannah Cottage.

Researchers will examine preference factors with five factors, namely tariff, location, service, halal awareness, and family. These variables were determined based on previous research that proved significant to consumer preferences in choosing Islamic hotels. Based on the background above, the researcher will examine what factors influence consumer preferences in choosing sharia hotels in the city of Bandung. This study aims to describe and analyze the factors that influence consumer preferences in choosing sharia hotels in the city of Bandung, where this research is expected to be able to add research references in the field of consumer preferences and is expected to be able to help the hotel industry in analyzing consumer preferences.

## **METHOD**

This study used a quantitative approach with a descriptive quantitative type. The population in this study is all hotel consumers who have stayed at Hotel Syariah Kota Bandung. The type of data in this study is primary data where the data is taken directly to respondents without using intermediaries. The analysis method used in this study is Multiple Linear Regression Analysis.

### **Consumer Behavior Theory**

Consumer behavior is a study of the process that individuals or groups go through when choosing, buying, using or disposing of a product, service, or experience to satisfy consumer wants and needs. According to Basu Swastha, consumer behavior is the behavior of individuals who are directly involved in obtaining and consuming economic goods or services, including the process of making a decision. Islam also has a perspective in looking at consumer behavior. Every shopping activity carried out by everyday consumers is a worship in the name of God.

Thus, Muslim consumers should choose the path that Allah has restricted by not consuming haram, not miserly, and not greedy so that their lives are safe both in the world and the hereafter (Muflih, 2006). In building a theory of consumer behavior, there is consumer behavior to maximize *utility* depicted by indifference curves. There are 4 axioms of rational choice (Nicholson, 1995):

a. *Completeness*

This axiom states that the preferred state can be determined by each individual between two states. All existing products are valued and compared by consumers. If A and B are two different product states, then the individual can always determine exactly one of the possibilities.

b. *Transitivity*

This axiom explains that if the consumer states "A is preferable to B" and "B is preferable to C" then it is possible to state that "A is preferable to C". This axiom is to ensure internal consistency in the person of the consumer in making decisions.

c. *Continuity (Continuity)*

This axiom explains that if the individual says "A is preferable to B" then a state close to A must also be preferable to B.

d. *The More Is The Better*

This axiom explains that the amount of satisfaction increases as individuals consume more of the service or good. Consumers will tend to increase their consumption in order to get satisfaction.

### **Marketing Mix Theory**

The marketing mix is controllable variables that combine to produce a response where the market has a response to that variable. And for service businesses there are 7

elements of *marketing mix* , namely product, price, place, promotion, participants, process, and customer service (Kotler, 2006).

a. Product

The combination of a good or service offered by the company to the target market by providing the whole concept of an object either in goods or services that are expected to provide a certain amount of value to consumers.

b. Fare

The amount of money that must be paid by the customer in order to be able to obtain a product or a certain amount of value that the customer exchanges with the benefits of using the product he has obtained.

c. Location

Location is a company activity that makes products available to target consumers.

d. Promotion

Promotion is an activity to convey the benefits of a product and influence consumers so that they are interested in buying products.

e. Participants

Human resources are an important element in the production or delivery of services. People gradually become part of differentiation where service firms try to create added value and gain a competitive advantage

f. Customer Service

Consumers are more likely to demand and require higher levels of service where customer service is increasingly important, partly because competitors view service as substantially competitive to differentiate themselves and the need to build good customer relationships. This theory explains what service providers need to pay attention to so as to prove that the seven attributes in the marketing mix have an influence on individual consumer decisions in choosing a product.

### **The Effect of Tariffs on Consumer Preferences**

Tariff is an amount of money that must be paid by customers to obtain a product or a number of values exchanged by customers with the benefits of using the product they have obtained. Hotel rates are hotel room rates that must be paid by hotel guests to enjoy all the

facilities and services in the hotel. According to Sugiarto (2000) an item produced by producers because of the needs of consumers or consumers are willing to buy it. Consumers buy the goods they want when the tariff is in accordance with their wishes and abilities and also if the goods are useful to them.

Research conducted by Widyarini et al (2014) states that tariffs do not have a significant influence on consumer preferences. However, in research conducted by Hurdawaty et al (2018) stated that rates are a factor that influences consumer preferences in choosing hotels. This is also reinforced in the research of Essa et al (2019) which states that tariff variables are external factors that have an influence on consumer preferences.

Kotler (2006) in Marketing Mix Theory states that in marketing goods or services, tariffs are one of the variables considered in marketing. Meanwhile, according to Case and Fair (2007) in a microeconomic review explained that consumers will ask for a more product at a lower rate where to get utility. In this theory, tariffs are a variable that influences consumers in choosing a product or service.

### **The Effect of Location on Consumer Preferences**

Location is the location of a business established. the selection of hotel locations requires careful consideration related to consumers in its market segment. Strategic location to reach guests from out of town in order to get convenience in reaching the destination location (Widyarini, 2014). Rahardi et al (2016) stated that location affects consumer preferences, researchers say that the more strategic the location, the more likely consumers will choose sharia hotels (Rahardi, 2016). Essa et al (2019) stated in their research that location is also influential as an external factor in shaping consumer preferences. Research by Widyarini et al (2014) also proves that location influences individual consumers in choosing sharia hotel service products.

In Marketing Mix Theory states that in marketing goods or services, location is one of the variables considered in marketing. Meanwhile, according to Case and Fair (2007) explained in a microeconomic review where the consumption of an item is also determined by taste, so that the location that suits the taste of consumers will foster a preference for hotels. In this theory makes location a variable that influences consumers in choosing a product or service.

### **The Effect of Service on Consumer Preferences**

Service is any action offered by the hotel that is *intangible* and does not result in ownership. Services in sharia hotels are services that are in accordance with the rules of Islam where there are aspects of hospitality, trust, honesty, friendliness, and saying sorry and thank you. Services are required to comply with the provisions allowed by Islamic law (Rahardi, 2016). The tangible form of service is a physical facility that is part of physical evidence, characteristics become requirements so as to provide added value for consumers in service businesses with character (Rambat, 2008). Physical facilities are supporting facilities that aim to provide more value to the hotel services. The consequence of embedding labels on sharia hotels is that the hotel environment starting from indoors and outdoors should reflect sharia values. For example a clean room, each room is provided with worship equipment, qibla direction signs, the Qur'an, prayer beads or room accessories that reflect Islam. (Widyarini, 2014).

Widyarini (2014) stated that it did not have a significant effect. However, in Chandra's research (2015) stated in his research that service has a significant influence on consumers in choosing, the researcher explained that service will create long-term satisfaction and loyalty where these preferences can be formed. This is reinforced by Essa's statement (2019) in her research where hotel service products are the main attraction to consumers.

Kotler (2006) in Marketing Mix Theory states that in marketing goods or services, service is one of the variables considered in marketing. Meanwhile, according to Case and Fair (2007) explained in a microeconomic review where the consumption of an item is also determined by taste, so that services that are in accordance with consumer tastes will foster a preference for hotels. In this theory, service is a variable that influences consumers in choosing a product or service.

### **The Effect of Halal Awareness on Consumer Preferences**

Halal awareness is customer concern regarding aspects of food consumption which is a vital factor to avoid everything that is dubious and uncertain in certain foods (Yunus et al., 2014). A Muslim observes the Shari'a in accordance with Allah's command in Surah Al-Baqarah verse 208 which means "O believers, enter you into Islam as a whole, and do not follow the steps of Satan. Indeed, Satan is a real enemy to you." Based on the verse explains

that Muslims in consumption must remain within the limits of Islamic rules. In previous studies, this variable was referred to as religiosity, but researchers will focus in the context of this study, namely halal awareness in sharia hotel service products where the sharia label is the guarantee of halal products in it.

Rahardi et al (2016) stated that there is an influence of religiosity on consumer preferences but the influence is negative. This means that the higher the level of religiosity of a person, the lower the consumer's preference in choosing a sharia hotel. However, research conducted by Essa (2019) proves that there is a positive influence of religiosity on consumer preferences. From this study, there are differences in results so that researchers will retest with halal awareness variables where these variables are one of the components of religiosity.

Kotler (2005) in Consumer Behavior Theory explains the factors that influence consumer behavior, one of which is cultural factors in which there is religion as a factor that influences consumer behavior. Meanwhile, according to Case and Fair (2007) explained in a microeconomic review where the consumption of an item is also determined by taste, so that halal awareness is an aspect of taste inherent in Muslim consumers which will foster a preference for hotels. In theory, halal awareness is a variable that arises from religion so that it affects consumer preferences in choosing sharia hotels.

### **The Influence of Family Religious Values on Consumer Preferences**

A family is a group of two or more people related to marriage or adoption by people who decide to live together (Chandrasekar, 2013). The family religious value factor is one that influences consumer behavior where the factor is included in social factors. Schiffman and Kanuk in Dwicahyo et al (2017) explain culture as the overall beliefs, values, and norms learned so as to help direct the behavior of individual consumers of community members where there are several families who apply these values so that individual consumers also get these values. In the study, Sukmaningtyas et al (2013) examined the value in the family, namely ethnocentrism towards preferences in importing fruits, resulting in a negative influence where people prefer local products over imported products.

## **RESULT AND DISCUSSION**

Consumers have a tendency to choose hotels because of the marketed rates.



Consumer interest in fares because consumers have budget limits allocated not only to lodging but other needs during the trip. If the rates marketed by the hotel are in accordance with the budget budget, it can increase consumer preference for hotels. In addition, the rates provided are in accordance with the facilities provided by the hotel where these facilities are able to meet the needs of consumers during the stay. This is supported by Satrija (2019) which states that consumers tend to choose sharia hotels because they have competitive rates and are in accordance with the services and facilities provided. This phenomenon is in accordance with demand theory where price factors are factors that affect market demand in meeting consumer household needs. Consumer inclination towards hotels is caused by its strategic location. Consumers give priority to hotel choices that have easy access to consumers' destinations. The hotel that consumers like is close to the main road of the city, easily accessible by public transportation and private vehicles, and close to the destination that will be addressed by consumers. With this convenience, consumer travel time can be more efficient and minimize the budget they have. This is supported by research conducted by Rahardi (2016) which states that the more strategic the location of sharia hotels, consumers will tend to choose the hotel. This phenomenon is in accordance with the Marketing Mix Theory where strategic location is a variable that is able to attract the attention of consumers in choosing products.

Researchers found that service is not a consumer preference in choosing sharia hotels in Malang City. This happens because consumers do not have priority on the services provided by the hotel. The hotel is still under development in terms of service where it can be proven that the hotel does not yet have a sharia certificate issued by the Indonesian Ulema Council. Sharia certificates can increase consumer confidence in the quality of service in hotels because they are guaranteed standards. In addition, the assessment of sharia hotels is still three-star. When compared to not labeled sharia, there are already four- and five-star hotels. The star rating on the hotel includes the quality of customer service as well as physical facilities. When compared to other hotels, consumers are more likely to like other hotels in terms of service. This is supported by Rahardi's research (2016) where consumers have a preference for hotel services that are certified and also have high star ratings.

Consumers who have awareness in consuming halal products tend to choose sharia

hotels. Halal awareness arises because of consumers' knowledge and understanding of religious rules which stay away from the prohibition of consumption of haram products. When halal awareness is owned by consumers, hotels labeled sharia can provide a sense of security to consumers when staying. Consumer assurance on sharia hotel products is not necessarily owned by hotels that are not labeled sharia, the higher consumer awareness of halal goods consumption, the higher their preference for hotels. This is supported by research conducted by Patwary (2018) which states that consumers feel guaranteed by the halal label on sharia hotels. This phenomenon is in accordance with the Theory of Consumer Behavior where religious factors influence individual consumer preferences.

Consumers have no inclination towards hotels because of the religious values instilled by the family. Consumers have different environments and change over time. The environment in question is the school environment, college environment, work environment or other environment that instills more dominant values to influence consumer decisions in choosing a hotel. With the intervention of each environment, it is possible for consumers to have tendencies that change over time in a hotel. The strong value in the consumer is also due to the information received by the consumer and the psychological state of the consumer at the time. The value of family religion is a new finding in this study that allows development in future research.

## **CONCLUSION**

Based on the discussion previously described, it can be concluded that the factors that influence consumer preferences are Tariff, Location, and Halal Awareness. While the factor that has no influence is Family Service and Religious Values. Then simultaneous testing, all factors affect consumer preferences simultaneously.

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