

## Factor Affecting Guests' Acceptance and Loyalty on Shariah Compliant Hotel (SCH) Practices: Empirical Evidence at Five-star Rated Hotels in Malaysia

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### ABSTRACT

Halal hub is a joint effort among Islamic countries to provide products and services such as halal food, halal manufacturers, halal pharmaceuticals, halal cosmetics, halal packaging, halal logistics products and halal services to be executed globally. Moreover, it has been the aim of the Malaysian government to inaugurate Malaysia as a global halal hub for halal products and services to Muslim countries worldwide. Due to demand of Shariah compliant hotel (SCH), it is very important to illustrate several features and the characteristics of hospitality services that come within the Islamic context. Therefore, the purpose of this study is to examine the factors that influence hotel guests' loyalty towards SCH practices particularly in Five-star rated hotel in Malaysia. Data for this study were gathered through self-administered questionnaires on 420 hotel guests' who have had experienced staying in 45 Five-star rated hotels in Malaysia. PLS-SEM was performed to analyze the proposed hypotheses. Finding showed that SCH practices have positive effect towards hotel guests' acceptance and hotel guests' loyalty. Hotel guests' acceptance have been found to be significant mediator of the relationship between SCH practices and hotel guests' loyalty. This implies that there is need key players in the hotel industry especially Ministry of Tourism, Arts and Culture Malaysia (MOTAC), hotel managers and operators to focus on these factors in the pursuit of a more competitive advantage and long-term profits.

#### Keywords:

Shariah Compliant Hotel (SCH); halal, hotel guests' acceptance; hotel guests' loyalty; Five-star rated hotel

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## 1. Introduction

Malaysian has taken an opportunity in introducing Islamic hotels and Islamic tourism as another form of tourist services in an initiative to become an Islamic Tourism hub. In some way, the Islamic hotel concept provides services and facilities that cater to the needs of more than a billion Muslims to easily engage their culture in the practice of Islam [36,23,15]. Recently, it has been perceived that there is an increasing interest and demands on Islamic hospitality and services in Malaysia by many

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<https://doi.org/10.37934/arsbs.20.1.116>

countries especially from the Middle East and Southeast Asia [56,30]. Due to the rising number of Muslim tourists, the demand for Muslim-friendly services is increasing.

According to AL-Rousan *et al.*, [4] in order to building long-term relationship between hotel industry and hotel guests, the excellent and quality service is required. The ability to retain loyal guest plays an important role towards the hotel performance and profitability. Thus, management of hotels needs to search for ways and strategies to proliferate it guests' loyalty. In hotel industry, there is growing demand in hotels that offer facilities and room that implement the Shariah law [39,46,44]. SCH practices are appealing because they focus on cleanliness, quality and safety whereby the products or service should be prepared in such a way that they are hygiene and safe. All these benefit not only the Muslims but also the non-Muslims as well [17,42,3].

Besides good services and excellent physical facilities of the hotel, practices of Shariah Compliant Hotel (SCH) are also important in gaining hotel guests' loyalty [24,31]. SCH is not a new concept in Malaysia but the number of hotels that offer a full service of SCH is still low [22,18]. Samori *et al.*, [42] mentioned that there are few hotels that serve basic facilities to fulfill the Muslim tourists' needs and they are considered as Muslim-friendly hotels. However, there is still lack of exposure among the Malaysians with regards to the existence of SCH practices [57]. Most Five-star rated hotels are international brands that have influenced other hotel operators to apply Shariah compliant concept in their business. However, a few of them especially conventional hotels are in dilemma on how to position the hotel and promote this concept to non-Muslim guests [3]. Therefore, the specific objective of this study is to examine the acceptance and loyalty of hotel guests towards Shariah Compliant Hotel (SCH) practices at a Five-star rated hotel in Malaysia.

## 2. Literature Review

### 2.1 Shariah Compliant Hotel (SCH) Practices

Shariah is an Arabic word which means the path that should be followed by Muslims [11,14]. Moreover, Shariah also means the totality of Allah's commands which regulate life for every Muslim in all aspects of life. The lodging sector consists of all the hotel businesses that provide accommodation services. Hotel sector comprises of the establishments which provide sleeping rooms or other various service facilities to the guests [48,7].

Meanwhile, Shariah Compliant Hotel (SCH) can be defined as services that are provided in accordance to the Shariah principles and practices where it is more than just prohibition of serving alcoholic beverages and non-*halal* food and drink [57]. The principles and practices must be implemented in all parameters that have been designed for safety, environment, health and economic benefit of all mankind regardless of race, faith and culture. Rosenberg *et al.*, [39] classified SCH practices into three categories, namely, operations, interior design and finance. For the purpose of this study, SCH dimensions pertaining to administrative, common areas, bedroom, service and F&B are chosen since these practices are derived from various frameworks such as the *halal* certification system by JAKIM, Islamic Quality Standard (IQS) for hotel, Islamic human resources management, Islamic marketing and Islamic finance [35]. Although there are still no written requirements or guidelines for SCH, academicians and industry practitioners set some basic characteristics and attributes of SCH.

### 2.2 Administrative Practices

In the administrative section, previous studies have considered managerial, financial and human resource practices to be included. In order to ensure that the operations are in accordance with the Islamic concepts, a group of religious advisors who are responsible for Shariah compliance is required

[3]. Without proper guidelines in carrying out *halal* operations, the goal of SCH cannot be easily achieved. Razalli *et al.*, [35] suggested that establish a Shariah advisory committee for the purpose of audit, training and monitoring to ensure the hotel operation based on the Shariah compliance principles, set an Islamic quality principle as a hotel policy and paying *zakah*. Besides that in term of human resource, the management should hire a certain number of Muslim employees and provide suitable resources for them to perform their right as a Muslim such as prayer room for employee, time allocation for Friday prayer and proper Islamic dress code for Muslim [18].

### 2.3 Common Area Practices

This category concerns with the *aurah* or the social interaction between men and women in Islam, Islamic architecture, Islamic entertainment and the usage of *halal* products [16,35]. The practices are separate fitness and sport facilities for men and women or at least provision of segregated time slots for men and women, availability of prayer rooms and women floor. For operations, the hotel must follow according to Shariah and Islamic laws. Besides, the hotel should not allow any drug-dealing activities within its premises, no indoor disco or nightlife entertainment, *halal* products should be used in common area such as soaps in the toilet, assurance of guest safety and security. Hence, Islamic architecture and design should be used in the property (for an example, no picture/sculpture of living beings) [40,42].

### 2.4 Bedroom Practices

The rooms to be provided with certain facilities and amenities such as *qiblah* direction, *Quran*, prayer mat, prayer schedule, bidet, *halal* toiletries, *halal* in-room food, Islamic in-room entertainment and no alcoholic beverages [41]. Furthermore, the hotel must provide smoking and non-smoking room because smoking is deemed as *haram* in Malaysia [20]. In other words, it is simply about creating the right themes, ambiances, architecture, and any contingent support that would make the Muslim customers feel at ease during their stay [36].

### 2.5 Service Practices

Hotel is a service organization and the heart of a hotel operation lies at the front office department, where the customers interact with the hotel services. For service practices, it should be included Islamic greeting, notification of the banning of alcoholic drink, information on *halal* restaurant, mosque and groceries, wake up call for *subuh* prayer. Moreover, in lined with Razalli *et al.*, [35] that SCH must provide *halal* products or services, no gambling products or services, *halal* shopping arcade, *halal* detergent for laundry, ethical and fair pricing, proper hotel's location and absence of sexual promotion.

### 2.6 Food and Beverage (F&B) Practices

The hotel obtains *halal* certification not only for the kitchen but also for its restaurant for all meals including the room service. The certification of *halal* program such as in Malaysia would undergo a strict guidelines and inspections in various aspects including the food, preparation and storage and handling. This certification would ensure that food available at the hotels is *halal* for Muslim consumption. Yang and Huang [53] stated that the global market for *halal* products today is rapidly growing and *halal* is no longer related to religious obligation or observance, but it can be considered as the standard of choice for Muslims as well as non-Muslims worldwide. This is an extremely

important part of Muslim culture and involves the preparation of food in accordance with Islamic laws. In addition, consumption of any food or drinks with alcoholic content is also prohibited. In fact, it is also not permissible for Muslims to visit places where alcohol is consumed and gambling is practiced [16, 42,43,38]. The Muslims' awareness towards *halal* concept is also increase and this has opened up the demand for *halal* foods in compliance with their religious requirement.

### 2.7 Hotel Guests' Loyalty

Loyalty is defined as the process where customers continue to buy products and services within a determined time period [12,47]. Loyalty occurs when a customer is loyal to a company, a brand or a specific product or service, expressing long-term commitment and refusing to purchase from competitors. In the context of this study, customers' loyalty refers to hotel guests' regarding on intention to revisit and spread a positive word-of-mouth about particular hotel. The measures of loyalty can be measure through repurchase intention. Repurchase intention are usually obtained from surveys of current customers assessing their tendency to purchase the same brand, same product or service from the same company [10,34].

On the other hand, an understanding of this concept is essential for every organization, especially for those who are trying to identify the critical elements affecting customer's purchase experience as well as his or her post-purchase behavior such as continuously purchase and favorable word-of-mouth publicity [26,29]. Isa *et al.*, [19] stated that the concept of loyalty is of utmost importance because of its influence on repeat purchases and word-of-mouth publicity.

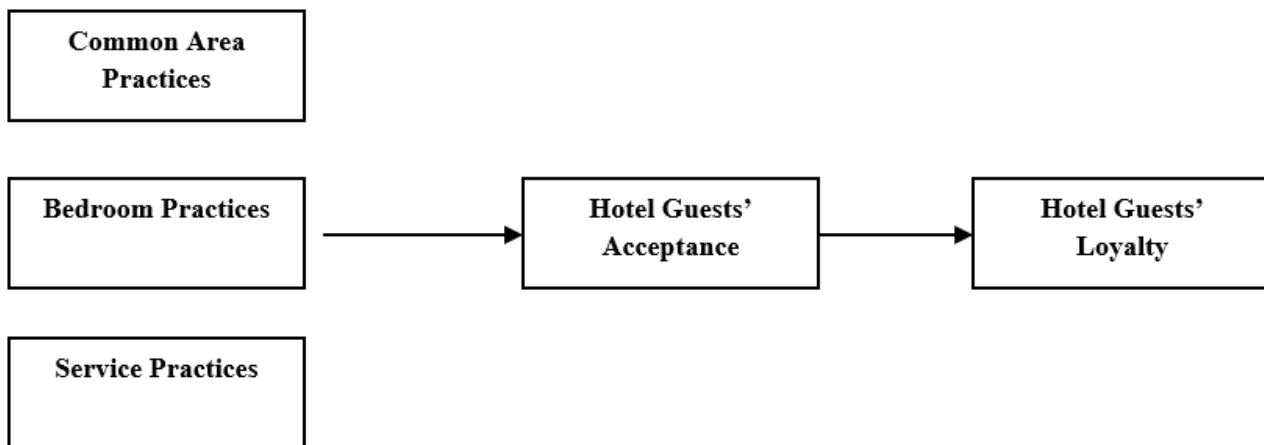
Moreover, the aspect of expected service quality is found to have profound impact on customers' intention toward choosing Shariah Compliant Hotel (SCH) practices and concept [54,15]. Therefore, hotel managers need to fully understand the attributes of a hotel that are most likely to influence customers' choice intentions [15]. In addition, Fungai [13] mentioned that a customer's repeat purchase and brand loyalty are closely associated with his or her satisfaction with an initial purchase. It is therefore essential to gain a better understanding of the desires and needs of customers that correspond to different kinds of loyalty. Failure to pay attention to the hotel attributes considered most influential in choice intention by guests may lead to negative evaluation of the hotel, eventually reducing the chance of repeat patronage by the guests to the hotel.

### 2.8 Hotel Guests' Acceptance

Acceptance is defined as positive feedback by the customers. The acceptance of the customers occurs when they are willing to continue using the products or services offered [27]. The more people continue using the products or services, the more valuable they become. In addition, high customer satisfaction leads to customer loyalty which will also contribute to future revenue to the businesses [52,25,32]. In fact, the relevancy towards understanding customer acceptance is vital as it acts as a motivational lead to repeated selection and will be favourably reflected by the satisfaction shown by the customers [28].

Understanding the motivations, expectations and needs of the customers provide a foundation on how to provide best services by the provider. When customers give positive feedback on something, it shows that the acceptance has occurred. The attitudes of customers toward SCH will be measured by their acceptance and keenness to stay because the attitudes may differ among customers itself [3].

Based on the literature review pertaining to the study variables, the theoretical framework of this study as followed:



**Fig. 1.** Theoretical framework

Stephenson, Russell and Edgar [49] further added that as far as Islamic funding is concerned, the finance used to operate a hotel should be compliant with Shariah regulations and in fact, the hotel owner must contribute a proportion of revenue to *zakah*. For the operating of staff management, the hotel must be predominantly with Muslims staff with a proper Islamic dress code [17]. In addition, common area practices as part of the SCH practices that must follow according to Shariah and Islamic laws. Hence, the design of the hotel includes the building and decoration of the hotel should not display any art similar the human or display any form jewels which does not reflects any sign of symbol of living being and layout of furniture must meet the Shariah principles [42]. According to Ahmad *et al.*, [1], SCH have free accommodations, no indoor disco or nightlife hotel, provide gender or segregated fitness and sport facilities to avoid free mixing between males and females, offer separate swimming pools and recreational facilities, availability of prayer rooms on site, women floor and Islamic entertainment programs. Today, many hotels also provide extensive guidelines which focused more on the bedroom interior and in-room facilities in accordance to the Muslim needs such as prayer room, *qiblah* directions, available *Quran*, prayer mat, prayer schedule, bidet, *halal* amenities, *halal* in-room food, Islamic entertainment and toilet not facing to Mecca [1]. Food is the most crucial part of the overall restaurant experience [50]. Thus, it is important that the awareness among hoteliers in Malaysia to be certified their hotels with JAKIM *Halal* Certification and served the *halal* accommodation in attracting more Muslim and non-Muslim guests locally and internationally [9]. Based on the above review, the hypotheses of this present study are presented:

- H1: Administrative practices in SCH have positive effect and significant on hotel guests' acceptance.
- H2: Common area practices in SCH have positive effect and significant on hotel guests' acceptance.
- H3: Bedroom practices in SCH have positive effect and significant on hotel guests' acceptance.
- H4: Service practices in SCH have positive effect and significant on hotel guests' acceptance.
- H5: Food and beverage (F&B) practices in SCH have positive effect and significant on hotel guests' acceptance.

## 2.9 Relationship between Hotel Guests' Acceptance and Hotel Guests' Loyalty

Customers' acceptance and loyalty are regarded as qualitatively different constructs. Acceptance may be merely a judgment with cognitive and affective dimensions, whereas repeat intentions consist of a loyalty component [5,37]. The outcome of acceptance and satisfaction may reinforce a customer's decision to use a particular brand of service on a given occasion [8]. The assessment of customer acceptance and satisfaction is too subjective to be measure. Therefore, based from the above findings, hotel guests' acceptance influences their loyalty towards the hotel. Hence, hypothesis 6 is proposed:

- H6: Hotel guests' acceptance have positive effect and significant relationship on hotel guests' loyalty.

## 2.10 Mediating Effects of Hotel Guests' Acceptance between Shariah Compliant Hotel (SCH) Practices and Hotel Guests' Loyalty

The increase in acceptance in turn would entice the customers to become loyal to a particular product or service [51,54]. For Muslim standpoint, the products knowledge and religious are closely related with their whole life aspects including engaging purchase behaviour and loyalty towards the product or service [45]. The attitudes of customers towards SCH practices are measured by their acceptance and keenness to stay at a hotel [3]. It is presumed leisure travellers are more likely to have a SCH as a place to stay for family holidays compared to business travellers.

The notion that Islamic hotels only appeal to Muslim travellers may not hold water considering the fact that a large number of Islamic hotels' guests originate from other non-Muslim countries as well. However, the acceptance level of non-Muslims on Shariah compliant practice in the Malaysian context may not be the same as in other countries. Based on the findings in the study by Azsyanti and Jamal [6], the prohibition of alcoholic beverage and the separation of male and female wellness facilities lead to guests' acceptance and recommendation to others about the hotel. Therefore, the following hypotheses are developed:

- H7: Hotel guests' acceptance mediates the relationship between administrative practices and hotel guests' loyalty.
- H8: Hotel guests' acceptance mediates the relationship between common area practices and hotel guests' loyalty.
- H9: Hotel guests' acceptance mediates the relationship between bedroom practices and hotel guests' loyalty.
- H10: Hotel guests' acceptance mediates the relationship between service practices and hotel guests' loyalty.
- H11: Hotel guests' acceptance mediates the relationship between food and beverage (F&B) practices and hotel guests' loyalty.

## 3. Methodology

The subject of this study was guest individual guests who have stayed at least at one of the 45 Five-star rated hotels in Malaysia. Data for this study were gathered through self-administered questionnaires. The survey questionnaire was personally distributed to the respondents which were

the guest who have had experienced staying at least at one of the 45 Five-star rated hotels in Malaysia. Specifically, in these five states, namely Kuala Lumpur, Selangor, Kedah, Pulau Pinang and Sabah were selected due to the high occupancy rate of Five-star hotel in the particular areas. From the 500 questionnaires distributed, 20 questionnaires were not fully completed, 30 were answered on same scale and 30 were discarded in the data cleaning process. Hence, 420 completed questionnaires were utilised for the purpose of data analysis.

The non-probability sampling was used utilizing the purposive sampling, in which the respondents are selected to answer the questionnaire. The researcher and her associates approached the potential respondents and distributed the questionnaires as they checked-out from the hotels. The data in this study were analysed using the Statistical Package for the Social Sciences, Window Version 25 (SPSS 25) and the Partial Least Square-Structural Equation Modeling (PLS-SEM) is applied for advanced statistical analysis in answering the research objectives, research questions and hypotheses of the study.

## **4. Results**

### *4.1 Descriptive Analysis*

The demographic features of the present study include their hotel state/locality, nationality, religion, gender, age group, marital status, purpose of stay, times of stay and length of stay at the hotel. The following table outlines the demographic variables of this study.

As presented in Table 1, the results indicated that out of the 420 respondents, 230 respondents (54.8%) are from guests who have stayed at Five-star rated hotel in Kuala Lumpur, while 63 respondents (15%) are from Selangor. This is followed by 50 respondents (11.9%) are from guests who have stayed at Five-star rated hotel in Kedah and 44 respondents (10.5%) are from experienced guests in Pulau Pinang. However, 7.8 % (33 respondents) indicated Five-star rated hotel guests in Sabah.

Out of the 420 respondents, 214 respondents (51.0%) were Malaysian. The religion reveals that an equal percentage (50%) for Muslim and non-Muslim. In this study, gender distribution was slightly higher for female. Out of the 420 respondents, 289 respondents (68.8%) were female and 131 respondents (31.2%) were male. Majority of the respondents' age ranges between 21-30 years old. 182 respondents or 43.3% represent this age group. The second highest age group between 31-40 years old (41.9%). Meanwhile, only 6.4% that represented 27 respondents belong to the age group of below 21 years old. There are only 23 respondents (5.5%) that are between age 41-50 years old while only 12 respondents (2.9%) were 51 years old and above. Most of the guests (259 guests or 61.7%) were married.

In terms of the main purposes of staying at a Five-star rated hotel in Malaysia, 69.5% (292 respondents) are due to holiday, while 74 respondents (17.6%) were due to business purposes. Meanwhile, 33 respondents (7.9%) stayed for the event purposes and 21 respondents (5.0%) indicated that their main purpose was shopping. On the frequency of staying at the hotel, most of the respondents (216 respondents or 52.1%) had stayed for the first time and followed by 113 respondents with 27.5% for the second times. 76 respondents (16.8%) had stayed at the hotel more than three times while only 3.7% (15 respondents) had stayed for three times. Respondents were also asked to answer questions about the length of stay at the hotel. Majority of the respondents (205 respondents) stayed at the hotel for two nights. 35.7% indicated they stayed for only one night whilst the remaining 65 respondents (15.5%) indicated they stayed more than three nights.

**Table 1**  
 Summary of Demographic Profile (n=420)

Demographic Variables	Categories	Frequencies	Percentages
<b>Hotel State/ Locality</b>	Kuala Lumpur	230	54.8
	Selangor	63	15
	Kedah	50	11.9
	Pulau Pinang	44	10.5
	Sabah	33	7.8
<b>Nationality</b>	Malaysian	214	51.0
	Foreign	206	49.0
<b>Religion</b>	Muslim	210	50.0
	Non-Muslim	210	50.0
<b>Gender</b>	Male	131	31.2
	Female	289	68.8
<b>Age group</b>	Below 21 years old	27	6.4
	21-30 years old	182	43.3
	31-40 years old	176	41.9
	41-50 years old	23	5.5
	51 years and above	12	2.9
<b>Marital status</b>	Single	161	38.3
	Married	259	61.7
<b>Experienced staying at SCH</b>	Yes	147	35.0
	No	273	65.0
<b>Purpose of staying</b>	Holiday	292	69.5
	Shopping	21	5.0
	Business	74	17.6
	Event	33	7.9
<b>Times of stayed</b>	First time	216	52.1
	2 times	113	27.5
	3 times	15	3.7
	More than 3 times	76	16.8
	<b>Length of stay</b>	1 night	150
2 nights		205	48.8
More than 3 nights		65	15.5

#### 4.2 Means and Standard Deviations of Study Variables

From Table 2, mean for the study variables ranged from 3.01 to 6.34. Respondents in this study were moderately and high rated by perceived SCH practice by the hotels. Hence, hotel guests' acceptance was obtained high mean value. Respondents of this study highly agreed that they would be retuning back to the hotel. Table 2 shows the results of the mean for the study variables.



**Table 2**  
 Mean for Study Variables (n=420)

Variables	N	Mean (M)	Std. Deviation (SD)
<b>Hotel Guests' Awareness</b>	420	3.01	1.04
<b>SCH Practices</b>			
• Administrative Practices	420	4.94	0.74
• Common Area Practices	420	5.36	0.92
• Bedroom Practices	420	4.36	0.50
• Service Practices	420	5.09	0.75
• F&B Practices	420	6.34	0.81
<b>Hotel Guests' Acceptance</b>	420	4.00	0.60
<b>Hotel Guests' Loyalty</b>	420	5.66	1.27

#### 4.3 Measurement Model of Partial Least Square Structural Equation Modeling (PLS-SEM) Analyses

Table 3 exhibits the results of measurement model of this study, which consists of internal consistency reliability, indicator reliability, convergent reliability and discriminant validity. For internal consistency reliability, all the constructs have Cronbach's alpha and composite reliability (CR) were ranged from 0.836 to 0.977, thereby satisfying the rule of thumb. As for indicator reliability, analysis was conducted by examining the outer loadings or a set of indicators is consistent with what it intends to measure. However, five questions item were deleted due to main loading < 0.5. Upon deleting these items, the new loading values were retrieved from the same PLS algorithm procedure. In term of convergent reliability, analysis involves the degree of agreement of each indicator in measuring the same variable. The average variance extracted (AVE) values for five SCH practices ranged from 0.507 to 0.730 and exceeding the recommended 0.5.

**Table 3**  
 Result of Measurement Model

Question Items	Main Loading	AVE	CR	Cronbach's Alpha
AP1	0.595			
AP2	0.705			
AP3	0.747			
AP4	0.777			
AP5	0.778			
AP6	0.794	0.568	0.940	0.929
AP7	0.786			
AP8	0.596			
AP9	0.758			
AP10	0.791			
AP11	0.839			
AP12	0.827			
CAP1	0.612			
CAP2	0.669			
CAP5	0.698	0.507	0.836	0.761
CAP7	0.778			
CAP8	0.787			
BP4	0.714			

<b>BP5</b>	0.705			
<b>BP6</b>	0.758			
<b>BP7</b>	0.688	0.503	0.890	0.861
<b>BP9</b>	0.765			
<b>BP11</b>	0.685			
<b>BP12</b>	0.693			
<b>SP1</b>	0.775			
<b>SP2</b>	0.732			
<b>SP3</b>	0.743			
<b>SP4</b>	0.659	0.562	0.875	0.870
<b>SP5</b>	0.764			
<b>SP6</b>	0.764			
<b>SP7</b>	0.804			
<b>FB1</b>	0.851			
<b>FB2</b>	0.924			
<b>FB3</b>	0.904			
<b>FB4</b>	0.929			
<b>FB5</b>	0.921			
<b>FB6</b>	0.913	0.730	0.970	0.965
<b>FB7</b>	0.877			
<b>FB8</b>	0.705			
<b>FB9</b>	0.879			
<b>FB10</b>	0.817			
<b>FB11</b>	0.755			
<b>FB12</b>	0.737			
<b>HGA1</b>	0.689			
<b>HGA2</b>	0.793			
<b>HGA3</b>	0.780			
<b>HGA4</b>	0.747			
<b>HGA7</b>	0.723	0.606	0.925	0.906
<b>HGA8</b>	0.820			
<b>HGA9</b>	0.838			
<b>HGA10</b>	0.825			
<b>HGL1</b>	0.877			
<b>HGL2</b>	0.940			
<b>HGL3</b>	0.852			
<b>HGL4</b>	0.944			
<b>HGL5</b>	0.921	0.825	0.977	0.973
<b>HGL6</b>	0.920			
<b>HGL7</b>	0.926			
<b>HGL8</b>	0.932			
<b>HGL9</b>	0.855			

Note: Five question items (BP1, BP10, CAP4, HGA5 and HGA6) were deleted due to main loading <0.5. Four question items (BP8, BP3, CAP3 and CAP6) were deleted due to AVE <0.5. In addition, two question items (RE5 and RE2) were deleted due to HTMT insufficiency.

#### 4.4 Heterotrait-Monotrait (HTMT) Ratio Criterion

The final step in assessment of the measurement model was to evaluate discriminant validity by Heterotrait-Monotrait (HTMT) ratio. HTMT approach is an estimate what the true correlation between two constructs. The results show that every value is below 0.90. However, the value is seen as valid if it is below 0.90. Thus, the HTMT ratio criterion is fulfilled. This present study inferred that discriminant validity is established since all discriminant validity measurement is satisfied.

**Table 4**  
Discriminant Validity of Measurement Model by HTMT Ratio

Latent Variable	AP	BP	CAP	FB	HGA	HGL	RE	SP
<b>Administrative Practices</b>								
<b>Bedroom Practices</b>	0.695							
<b>Common Area Practices</b>	0.813	0.876						
<b>F&amp;B Practices</b>	0.739	0.754	0.768					
<b>Hotel Guests' Acceptance</b>	0.584	0.562	0.640	0.620				
<b>Hotel Guests' Loyalty</b>	0.580	0.526	0.607	0.580	0.881			
<b>Service Practices</b>	0.776	0.813	0.898	0.833	0.696	0.609	0.598	

#### 4.5 Structural Model

The structural model denotes the association existing among the hypothesized latent variable in the model of the study. This study examined the structural model with one exogenous variable, which is SCH practices and two endogenous variables, which are hotel guests' acceptance and hotel guests' loyalty. The first step was to analyzed significance and relevance of the path and Table 5 represent the result of the hypotheses.

**Table 5**  
Result of Path Coefficients

Hypothesis	Relationship	Beta Value	Standard Error	t-values	p-values	Decision	f <sup>2</sup>
<b>H1</b>	AP > HGA	0.109	0.074	1.477	0.070	Not supported	0.009
<b>H2</b>	CAP > HGA	0.117	0.081	1.455	0.073	Not Supported	0.001
<b>H3</b>	BP > HGA	0.033	0.058	0.571	0.284	Not Supported	0.008
<b>H4</b>	SP > HGA	0.304	0.061	<b>4.967***</b>	0.000	<b>Supported</b>	0.017
<b>H5</b>	FB > HGA	0.172	0.060	<b>2.874**</b>	0.002	<b>Supported</b>	0.047
<b>H6</b>	HGA > HGL	0.473	0.046	<b>10.221***</b>	0.000	<b>Supported</b>	0.394

Note: \*p<0.05 (t>1.645); \*\*p<0.01 (t>2.33); \*\*\*p<0.001(t>3.33) (One-Tailed)

As illustrated in Table 5, service practices and F&B practices were significantly contributed to the prediction of hotel guests' acceptance. Service practices had the most impact on the prediction of hotel guests' acceptance ( $\beta = 0.304$ ,  $p < .01$ ) and followed by F&B practices ( $\beta = 0.172$ ,  $p < 0.05$ ). Administrative practices, common area practices and bedroom practices were not predicted hotel guests' acceptance. Therefore, hypothesis 1, 2 and 3 was not supported. In other hand, hypothesis 4 and 5 was fully supported. Result indicated that hotel guests' acceptance ( $\beta = 0.473$ ,  $p < 0.01$ ) was significantly and positively predicted hotel guests' loyalty. Thus, hypothesis 6 was fully supported.

Table 3 also revealed that hotel guests' acceptance ( $f^2 = 0.394$ ) has a large effect in producing the  $R^2$  for hotel guests' loyalty. Moreover, F&B practices ( $f^2 = 0.017$ ) and service practices ( $f^2 = 0.047$ ) have small effect in producing the  $R^2$  for hotel guests' acceptance. On the same note the five SCH practices were able to explain 43.5% ( $R^2 = 0.435$ ) of the variance in the hotel guests' acceptance construct. Additionally, the hotel guests' acceptance was able to explain 77.3% ( $R^2 = 0.773$ ) of the variance in hotel guests' loyalty. Lastly, the study analyzed the predictive relevance  $Q^2$ , which represents the accurateness of the path model in predicting the original values that were being observed. This study shows all the two  $Q^2$  values for hotel guests' acceptance ( $Q^2 = 0.264$ ) and hotel guests' loyalty ( $Q^2 = 0.614$ ) are more than zero, indicating that the model has sufficient predictive relevance.

#### 4.5 Mediation Analysis

This present study reveals that two out of five indirect relationship were found to be significant  $*p < 0.05$  ( $t > 1.96$ );  $**p < 0.01$  ( $t > 2.58$ ) (two-tailed). The t-value significance of the indirect relationship were obtained using bootstrapping ( $n = 5000$ ). Table 4 provides a summary of the significance of indirect effects and path coefficients.

**Table 6**  
 Result of Mediating Effect of Hotel Guests' Acceptance

Hypothesis	Relationship	Beta Value	Standard Error	t-values	p-values	Decision
H7	AP > HGA > HGL	0.114	0.077	1.475	0.070	Not Supported
H8	CAP > HGA > HGL	0.123	0.084	1.455	0.073	Not Supported
H9	BP > HGA > HGL	0.035	0.061	0.568	0.285	Not Supported
H10	SP > HGA > HGL	0.318	0.070	4.573**	0.000	Supported
H11	FB > HGA > HGL	0.180	0.068	2.647**	0.004	Supported

Note:  $*p < 0.05$  ( $t > 1.96$ );  $**p < 0.01$  ( $t > 2.58$ ) (Two-tailed)

As shown in Table 6, out of the five SCH practices examined, only service practices and F&B practices were able to meet the condition for mediation. The guests' acceptance has positive mediating effects on service practices ( $\beta = 0.318$ ,  $p < 0.01$ ), thereby implying significant and supported. Similarly, the effect of F&B practices ( $\beta = 0.180$ ,  $p < 0.05$ ) was significant in the presence of hotel guests' acceptance, thereby, implying supported. Hence, hypothesis 10 and hypothesis 11 are fully supported. However, administrative practices, common area practices and bedroom practices are not significant. Therefore, hypothesis 7, 8 and 9 was not supported.

#### 5. Discussions

The objective of this study shows that SCH practices and hotel guests' acceptance have positive and significant influence on hotel guests' loyalty. Results of this study indicated that SCH practices pertaining to service practices and F&B practices have significant and positive effect on hotel guests' acceptance and hotel guests' loyalty. Hotel guests' acceptance was also found to be significant mediator on the relationship between SCH practices and hotel guests' loyalty.

Guest who has higher perception of the service quality in SCH practices will higher level of acceptance. Specifically, if the hotel displays the price and information of every room, meal, product and service to avoid price discrimination, the guests will express their acceptance and have higher intention to comeback. These findings are in line with Idris *et al.*, [18], who found that the service practices have significant influence on hotel guests' acceptance. Similarly, this study also found that F&B practices would also significantly influenced the level of guests' acceptance toward the hotel. In particular, F&B practices such as all *halal* menu are safe to eat, do not allow alcoholic beverages, must have a *halal* certificate and *halal* verification, would significantly influence guests' acceptance to the hotel. This finding is parallel with Zailani *et al.*, [57] which agreed that F&B practices influence guest acceptance and spread positive word-of-mouth. Based on the results, the administrative practices, common area service and bedroom practices were not found to be significant and have a negative relationship with hotel guests' acceptance.

According to the Muslim respondents, they agreed with an idea to separate swimming pools for female or the separated time for male and female guests. However, some of the guests need a leisure time together with all family members and the segregation of the gender adversely affects their holiday fun. This shows that although Muslim guests agree with this practice, the hotel should also not overlook the acceptance level of non-Muslim guests to ensure the satisfaction of all hotel guests. The results indicated that hotel guests' acceptance level will highly influenced by their awareness of the concept and practices [3]. Might probably because of they are still lacking of knowledge about Shariah compliant due to less exposure which lead to level of their consciousness.

Practically, the results from this study offer several suggestions to government especially Ministry of Tourism, Arts and Culture Malaysia (MOTAC), hotel managers and operators, industry players and hotel guests to plan and implement strategies pertaining SCH practices. MOTAC should promote this practice in an effort to increase Muslim and non-Muslim awareness in line with the government's initiative in promoting SCH practices towards Malaysians and international tourists. Moreover, lack of advertising in promoting SCH also contributes to the low level of awareness and acceptance of hotel guests on the SCH practices. Secondly, hotel managers need to provide a proper accommodation for their convenience such as SCH, excellent service quality and *halal* F&B service that are in line with Shariah principles. This situation will attract non-Muslim hotel managers and operators to follow these practices and the hotel industry will become more competitive. Even though SCH practices are still new in Malaysia and only few of the hotels have been practicing it, it can be successful if each party manages to discover the challenges facing them and find the most suitable approaches and ways to address those challenges.

## 6. Conclusion and Future Research

This study has found that service practices and F&B practices have positive effect and significant on the hotel guests' loyalty at a Five-star rated hotel in Malaysia. Meanwhile, the hotel guests' acceptance also found to have mediating influence on the relationship between SCH practices and hotel guests' loyalty. Therefore, the objectives and questions of this study have been achieved. However, several limitations have been faced throughout the study. Firstly, the SCH practices investigated in this study were limited in scope of unit analysis. Future researchers may need to widen the scope of investigation by incorporating the SCH practices specifically on organisation's perspectives. Secondly, this study recognized limitation in dealing with methodological approach or time horizon of the study Therefore, future researchers may want to use focus groups as a method of understanding the intention of the Muslim and non-Muslim guests in choosing a SCH. The compliant with Shariah principles must be given the utmost priority in fulfilling the growth of the demanding Islamic tourism market not only among the Muslim but non-Muslim market as well.

Nevertheless, the decision to adopt SCH must be made as according to the hotel's target market so as not to affect their financial gain. The composition of hotel's target market should determine whether the hotel should apply basic SCH or full service SCH. Therefore, the application of SCH needs a careful consideration for hotel operated in a multiracial country like Malaysia.

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