

How to Measure the Perceived Value of Customer Sharia Hotels in Makassar?

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Abstract. This study purposed to identify the dimensions of customer perceived value in sharia hotels. This is measured in seven dimensions consisting of functional value, Islamic value, price value, utilitarian value, aesthetic value, transaction value, and emotional value. This dimension is measured by validity and reliability test, Confirmatory Factor Analysis (CFA), Average Variance Extracted (AVE), and perceived value model test in Structure Equation Modeling (SEM) used AMOS Software. The study shows that the seven dimensions used have strength, and Islamic values are the strongest dimension to measure the customer perceived value. This research is expected to contribute to hotel management based on Sharia as a pioneer of the halal industry. More specifically, this study recommends analyzing the causality of the relationship between satisfaction, loyalty and perceived value in Islamic hotels.

Keywords: Perceived Value, Consumer, Sharia Hotels, Measure

1 Introduction

Indonesia's tourism industry is expanding exponentially in the world, especially halal tourism. This development is in line with the improvement of many tourists from Muslim countries. They want to spend a vacation abroad. The 2019 Global Muslim Travel Index (GMTI) survey reported that Indonesia received the first rank for the best halal tourist destinations in the world score 78 with Malaysia[1]. In 2019 Indonesia will step up one step, which is obtaining the top position as the center of halal tourism destinations.

GMTI 2019 establishes four criteria that are used as a reference for assessments, access, communication, environment, and services (ACES)[1]. Each criterion has three components. Access components include visa requirements, air connectivity, and transport infrastructure. Communication components include outreach, ease of communication, and digital presence. Environment components include safety and culture, visitor arrivals, and enabling climate. Service components include core needs (halal food and prayers), core services (hotels, airports), and unique experiences. These components become a dimension to measure Muslim tourists' perception in the world.

Indonesia has become a halal destination in the world because of the hard work of the Indonesian Ministry of Tourism [2]. Indonesia formed a special agency, namely Acceleration

Team for Halal Tourism Development, to develop halal tourism. It is divided into three criteria: tourist destination, hotel, and travel agent. This study selects one of three criteria for halal tourism destinations, i.e. Sharia Hotels in Makassar South Sulawesi.

Makassar is a metropolis in Indonesia and has several tourist destinations. It has the opportunity to develop Sharia hotels[3]. The existence of Sharia hotels in Makassar needs to be improved as an effort to develop halal tourism in Indonesia. Some hotels in Makassar implement sharia management such as; Al Badar Hotel, Pessona Hotel, Mutiara Khadijah Hotel, and JL Star Hotel. This study uses the perceived value dimension to measure the perception of sharia hotel customers. This dimension is to explore the strengths and weaknesses of the values given to customers. The perceived weakness of the value dimension is a problem that needs to be corrected by Sharia hotel management, while its strengths must be maintained.

Based on a literature review of customer perceived value, the authors find some agreement from scholars and researchers on the meaning of the perceived value. However, the dimensions to measure perceived value have several dimensions. This is related to the meaning of diverse perceived values. Therefore, the authors divide the two parts related to perceived value; firstly, exploring of the perceived value that has been done by scholars, and secondly, exploring the dimensions of perceived value.

First, perceived value involves a relationship between quality and price[4], customers and products[5], buyers and sellers[6]. Perceived value is related to the utility or benefits obtained by customers in return for costs incurred,[7] such as cognitive and affective aspects[8]. This study argues that good preferences about customers and purchasing behavior is an important factor for predicting consumer buying behavior[9]. Measuring customer perceived value is an emotional bond that is built between the customer and the producer after the customer uses a reputable product or service produced by a supplier that is able to add value [10]. Value is understood as a construct that is configured by two parts: perceived benefits (economic, social and relationship dimensions) and sacrifices incurred (price, time, energy, risk, and comfort dimensions) by customers[11]. Perceived value is related to perceived product benefits by buyers and customers.

Second, according to some previous studies, the perceived value dimension has several dimensions in different contexts. This is shown in the following Table I

Table 1. Dimensions of Perceived Value

Author (s)	Context	Perceived Value Dimension
Banu Kulter Demirgunes, (2015)	Willing to Pay	Functional value, price value, social value, and emotional value [12]
Sweeney and Soutar (2001)	Retailing	Emotional value, social value, functional value (price and quality)[13]
Khan and Kadir (2014)	Banking Industry	Functional value (service quality and service value) [14]
Levyda (2017)	Hotel	Functional value (physical environment, guestrooms, hotel staff services, food and beverages, price emotional value and social value) [15]
El-Adly (2018)	Hotel	Self-gratification, aesthetics, price, prestige, transaction, hedonic, and quality [16]
Williams and Soutar (2009)	Tourism	Functional value, price, emotional value, social value, novelty value [17]

El-Adly and Eid (2016)	Retailing	Hedonic, self-gratification, utilitarian, epistemic, social interaction, transaction, and time convenience [18]
El-Adly and Eid (2017)	Mall	Hedonic, self-gratification, utilitarian, epistemic, social interaction, transaction, time convenience, and Islamic value [19]
Chiang <i>et.al.</i>, (2013)	Hotel Visitors	Value of service experience, functional value, cultural value, value for community, and value for money [20]
Al-Sabbahy, Ekinici, and Riley (2004)	Hospitality	Acquisition value and transaction value [21]
Milfelner, Snoj, and Korda (2011)	Hotel	Emotional value and rational value [22]
Kim, Kim, and Park (2017)	Hotel	Reasonable price and quality [23]
Sapic, Topalovic, and Marinkovic (2014)	Marketing	Prestige, value for money, and interaction quality [24]
Li and Lee (2016)	Hotel	Hedonic value and utilitarian value [25]
Razli, et.al (2017)	Hotel	Functional value, value for money, emotional value, social value, and novelty value [26]
Ariff, Fen, and Ismail (2012)	Industry	Economic, emotional, and social value [27]
Eid and El-Gohary (2015)	Hospitality	Quality, price, emotional, social, Islamic physical attributes and Islamic nonphysical attributes [28]

Based on the set of dimensions, this study uses seven dimensions in measuring customer perceived value in Sharia Hotels. The seven dimensions consist of functional value, Islamic value, price value, utilitarian value, aesthetic value, transaction value, and emotional value. This dimension refers to several dimensions of perceived value from various contexts in Table 1, and this study focuses on sharia hotels in Makassar.

2 Method

This study uses explanatory patterns that explain the dimensional position of customer perceived value. Twenty-one questions were designed to determine the importance of value attributes about sharia hotel visitors in Makassar. The 10-point interval measurement scale used in this study, according to Preston and Colman [29]. This scale is very good for measuring the index of reliability, validity, and strength of discrimination (scale 1,2,3,4,5 dissatisfied and scale 6 7,8, 9,10 very satisfied). Based on a literature review that measures the dimensions of customer perceived value, seven dimensions of customer perceived value were chosen, since they are considered as the most appropriate and highly related to sharia hotels. These dimensions are relevant to previous research according to Lie and Lee[25]; Levyda[15]; Al-Sabbahy *et.al.*[21]; Milfelner *et.al.*[22]; and Razli, *et.al.*[26].

This study investigates the validity and reliability of the seven dimensions of perceived value with 21 items from sharia hotel management in Makassar. The sample in this study was 100 respondents. According to Ferdinand[30], the sample is based on sample limits for Structural Equation Modeling (SEM). The questionnaire developed to achieve the objectives of the current study consists of two most important parts. First, it refers to customer characteristics and contains questions about gender, age, and occupation. Secondly, a

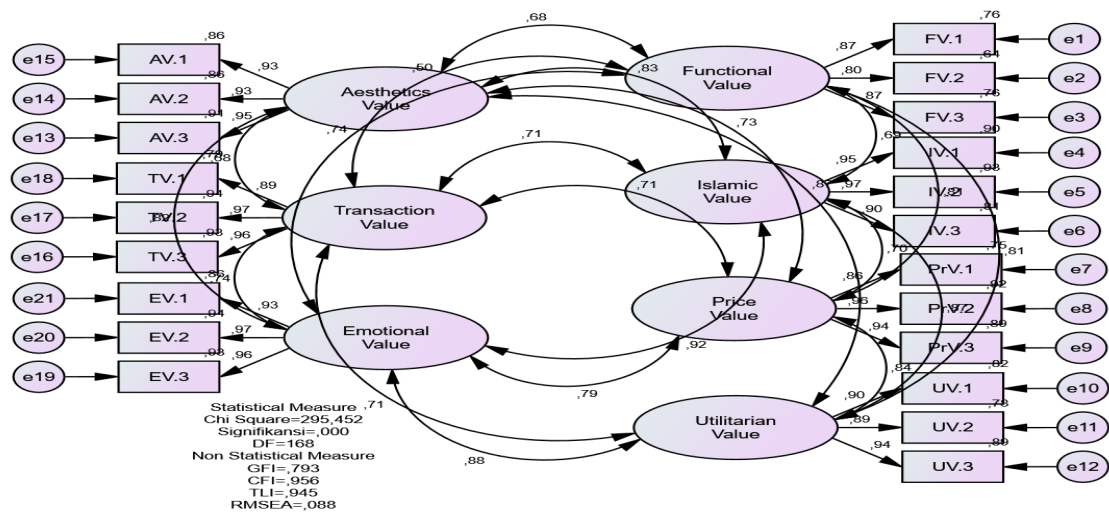
questionnaire was developed so that customers can express their evaluation level, according to a set of criteria and sub-criteria when visiting Sharia Hotels in Makassar. This study uses Confirmatory Factor Analysis (CFA) in the Amos application to get a good model (Goodness-of-Fit), validity and reliability testing with loading factor analysis, Average Variance Extracted (AVE). Furthermore, this study concludes the relationship between the dimensions of customer perception values about sharia hotels.

3 Results and Discussion

The findings based on the demographic information of the respondents showed that 66% of male visitors and 34% of women. Total participants under the age of 20 years 1%; age 20-30 years 33%, age 30-40 years 27%, age 40-50 years 32%, and ages above 50 years 7%. Based on the work results of respondents, civil servants 28%, employees 12%, lecturers / teachers 41%, Students 5%, Entrepreneurs 7%, others 7%. The biggest contributor comes from the age of 20-30 years and lecturers/teachers contribute the most to this research.

This study conducted a validity test with Confirmatory Factor Analysis (CFA) according to the Structure Equation Model procedure, Amos 24 application in Fig. 1. The confirmatory factor analysis (CFA) procedure investigates the goodness of fit model and the strong relationship between indicators. This study uses 7 dimensions of perceived value; functional value, Islamic value, price value, utilitarian value, aesthetic values, transaction value, and emotional value.

Fig. 1. Diagram CFA Model Perceived Value



These results explain the relationship between dimensions and indicators in the perceived value dimensions. seven dimensions with 21 items are used to measure customer perceived value. The CFA diagram confirms 7 dimensions of customer perceived value. Furthermore, CFA results are explained in Table 2.

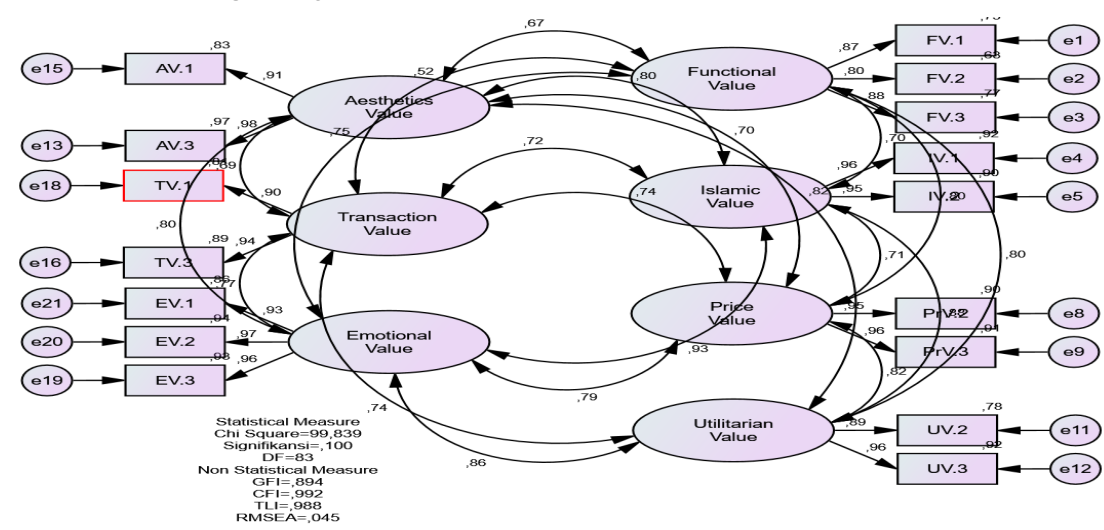
Table 2. Compatibility Test Result Confirmatory Factor Analysis (CFA) Customer Perceived Value

Goodness-of-Fit	Results	Cut-off-Value
Chi-Square (X ²)	295,45*	Expected small (more than Df)
Degree of Freedom (Df)	168*	Preferably greater (X ²), but not necessarily
Chi-Square (X ²)/Df	1,75**	≤ 3
Sig-Probability (P-Value)	0,000*	≥ 0,05
GFI	0,79*	≥ 0,90
CFI	0,95**	≥ 0,95
RMSEA	0,08**	≤ 0,08

*Notes: *Not Good, **Good,
GFI: Goodness of Fit Index, CFI: Comparative Fit Index, Root Mean Square Residual*

Chi-square index (X²) fit is used to check the overall suitability of the model. Chi-square goodness of fit statistics of 295.45; degrees of freedom are 168, p = 0.00. The significance of the chi-square shows that the covariance model is still raw. Analysis of *GFI* value of 0.7, the criteria must be greater than 0.9, as recommended by Arbuckle (1995). Furthermore, the *CFI* match index reached 0.95 and X² / df reached 1.75. The RMSEA is 0.078, which is smaller than the 0.08 criteria as recommended by Browne and Cudeck (1992) or an acceptable RMSEA must range between 0.05 to 0.08 (Hair et.al, 1998; Hu and Bentler, 1999). Table 2 which is an explanation of Figure 1 shows the significant value is not good. The model in Figure 1 is not suitable, therefore it is improved to reach >0.05. Next, 21 items were analyzed and confirmed in the CFA diagram in Figure 2.

Fig. 2. Diagram of Test Results of CFA Model Perceived Value



The results show that 21 of the indicators of customer perceived value, remaining 16 items. Indicators that do not support are removed. Indicators that do not support must be removed so that the model can be fit [30]. Customer perceived value in sharia hotel Makassar is measured by seven indicators. Functional values according to Chiang [20]; Levyda [15]; and Razli [26], Islamic value [28], price value according to Kim *et.al.* [23], Yin and Shen [31], and Sindhuri [32]; utilitarian value [25]; aesthetics value [16]; transaction value according to al-Sabbahy,

et.al[21], El-Adly [16], and emotional value [22] and Williams and Soutar [17], El-Gohary [28], Levyda [15], and Razly [26].

Table 3. Analysis Compatibility Test Result Customer Perceived Value

Goodness-of-Fit	Results	Cut-off-Value
Chi-Square (X ²)	99,83*	Expected small (more than Df)
Degree of Freedom (Df)	83*	Preferably greater (X ²), but not necessarily
Chi-Square (X ²)/Df	1,20**	≤ 3
Sig-Probability (P-Value)	0,10**	≥ 0,05
GFI	0,89*	≥ 0,90
CFI	0,99**	≥ 0,95
RMSEA	0,04**	≤ 0,08

Notes: *Not Good, **Good,
GFI: Goodness of Fit Index, CFI: Comparative Fit Index, RMSEA: Root Mean Square Residual

The CFA table in the Goodness-of-Fit index shows that this model is fit. Significant value of $0.10 \geq 0.05$ (good), and RMSEA $0.04 \leq 0.08$ (good). This study proves that this model can be used, even though Chi-Square $99.83 \leq 3$ (Not Good). Several studies used CFA analysis with Chi-Square are not good, but Sig-Probability (P-Value) is good [33]. Therefore, this model is fit and accepted. Seven indicators of perceived value in this study can be used in further research to measure customer satisfaction of sharia hotels.

Sixteen indicators were measured by the convergent validity test. Convergent validity tests measure the level of customer perceived value indicators[33]. Convergent validity can be assessed by three criteria according to Fornell and Larcker[34], Liang and Wan[35], Hair et al.[33], Čater and Čater[36]. First, the loading factor for an item is at least 0.7 and significant. Second, Composite Reliability (CR) is a minimum of 0.7. Third, the Average Variance Extracted (AVE) for a dimension greater than 0.5. Table 3 shows that all constructs have included the three criteria that support the convergent validity of dimensions.

Table 4. Analysis List of Validity and Realibility Customer Perceived Value

Item Variables	Factor Loading	Average Variance Extracted (AVE)	CR
FV.1	0,868*	0,719*	0,885*
FV.2	0,796*		
FV.3	0,878*		
IV.1	0,960*	0,911*	0,953*
IV.2	0,949*		
PrV.2	0,950*	0,908*	0,952*
PrV.3	0,956*		
UV.2	0,886*	0,850*	0,919*
UV.3	0,957*		

AV.3	0,985*	0,898*	0,946*
AV.1	0,909*		
TV.3	0,942*	0,848*	0,918*
TV.1	0,899*		
EV.3	0,964*	0,909*	0,968*
EV.2	0,970*		
EV.1	0,926*		

Notes: FV: Functional Value; IV: Islamic Value; PrV: Price Value; UV: Utilitarian Value; AV: Aesthetics Value; TV: Transaction Value; EV: Emotional Value; AVE: Average Variance Extracted; CR: Composite Reliability;

**Factor Loading significant at > 0,7; *AVE significant at > 0,5; * CR significant at > 0,7,*

The result, overall of 16 items from seven indicators are significant. Factor loading for all items is significant > 0.7. The Average Variance Extracted (AVE) for each indicator representing all items is all significant > 0.5, and the Composite Reliability (CR) of each indicator is significant > 0.7. Overall items model in Figure 2, overall have significant values, and each indicator can be accepted as a dimension of customer perceived value in sharia hotel.

4 Conclusion

This study is an attempt to explore and offer a model structure for the dimension of customer perceived value from the customer experience. It included several dimensions of perceived value. The findings from the customer dimension perceived value in sharia hotels, Islamic values have the strongest dimensions. This dimension can be used as a source of strength in management and marketing in Islamic hotels. Reliability test, validity test, and correlation show that the dimensions of the perceived value of 16 items and 7 dimensions are positive. This model is accepted because it is significant, then it can be used and continued in hypothesis testing. Dimensions perceived value, Islamic value, functional, price, aesthetics, utilitarian, emotional, and transaction have perceived customer in sharia hotel.

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