Analyzing Consumer Preferences in Selecting Halal Tourism Destination

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ABSTRACT

Purpose: This paper examines consumer behavior, specifically the Indonesian society's preference for making halal tourism in the Riau region a tourism destination.

Design/Method/Approach: The methodology applied in this research is quantitative with the SEM-PLS approach. Sampling was done using purposive sampling method. The number of respondents involved was 256 people with an age range of 16 to 55 years old. This study adopts variables based on the Theory of Planned Behavior, which identifies three exogenous latent variables (ξ), namely Attitude, Subjective Norm, and Perceived Behavioral Control. Meanwhile, the endogenous latent variable (η) in this research is the Preference for Halal Tourism.

Findings: The results of this study revealed that the perceived behavioral control variable has the largest, positive, and significant influence.

Originality/Values: The implications of this research can assist in the development of the halal tourism industry in Indonesia, particularly in the Riau region. Industry players and stakeholders can take steps and policies to enhance aspects such as subjective norms and perceived behavioral control to meet tourists' preferences. Academics can also contribute to advancing digital literacy, research, and innovation in the halal industry, thereby making a significant contribution to the dynamic and innovative digital ecosystem within the halal value chain.
INTRODUCTION

Halal tourism is highly sought after by Muslim tourists worldwide as it has gained popularity in various countries. The Muslim population continues to grow, and it is estimated that by 2070, this population will become the majority in the world\(^1\). With the rapidly increasing spread of Islam\(^2\), halal tourism consumers have a broad market. It is estimated that by the end of 2024, spending in the halal tourism sector will reach $3.2 trillion\(^3\).

Halal tourism is one of the emerging phenomena in the halal industry. The halal industry is a market with significant potential in the future for providing goods and services both domestically and internationally\(^4\). Many countries, both with majority Muslim populations and non-Muslim populations, are determined to attract the attention and meet the needs of Muslim tourists. These efforts include providing tourism products, facilities, and infrastructure that align with the preferences and demands of Muslim travelers\(^5\). Indonesia is considered suitable to be a center for halal tourism because the majority of its population practices Islam\(^6\).

According to the Global Muslim Travel Index (GMTI) report for the year 2023, Indonesia has been recognized as the best halal tourism destination in the world, surpassing 140 other countries. Natural, culinary, shopping, historical, and educational tourism are among the diverse and beautiful types of tourism available in Indonesia. This success marks an improvement from the second position in 2022, while Malaysia previously held the top position. The 8th

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GMTI report, organized by Mastercard-CrescentRating, was published in Singapore on June 1, 2023. Many foreign or domestic tourists flock to every destination in Indonesia. Considering the world's largest Muslim population and the rapid growth of the tourism industry in Indonesia, this country has an advantage in promoting itself as a halal and family-friendly tourist destination.\(^7\)

Indonesia consistently provides support and incentives for the local tourism industry.\(^8\) Indonesia has organized technical guidance (bimtek) and seminars in ten prominent halal tourism destinations to promote the development of national halal tourism destinations that meet international standards. In 2018 and 2019, the Ministry of Tourism held the Indonesia Muslim Travel Index (IMTI). CrescentRating-Mastercard collaborated with Indonesia to conduct the IMTI assessment directly using four key indicators established by GMTI: accessibility, communication, environment, and services. In 2019, the five major halal tourism destinations in Indonesia were Lombok, Riau, and the Riau Islands.

Ratnasari's\(^9\) research on halal tourism in the Lombok area indicates that halal certification influences behavioral intentions, although it does not have an impact on customer satisfaction levels. The features of halal destinations have a significant positive influence on the experiences of Muslim tourists and destination satisfaction.\(^10\) Planned halal behavior can explain the intention to recommend. Halal attitude, subjective norm, halal image, halal value, halal safety and security, and halal information trust positively and significantly influence the intention to recommend.\(^11\)

In this study, the author attempts to observe behavior towards halal tourism preferences, specifically in the Riau region. Riau is the subject of the research because it received the Adinata Syariah Award in 2023, sponsored by the National Committee on Islamic Economy and Finance (KNEKS). Riau is

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\(^7\) Husna et al., “International Virtual Colloquium on Multi-Disciplinary Research Impact (2 Nd Series) The Enforcement of Halal Compliance by Authorities in the Halal Industry.”


\(^9\) Penelitian and Padjadjaran.

\(^10\) Noviyani et al.,

one of the five provinces that receive attention from the National Committee on Islamic Economy and Finance (KNEKS), along with Aceh, West Sumatra, West Java, and West Nusa Tenggara. Several researchers have conducted studies on halal tourism in various cities and provinces in Indonesia, including Ratnasari et al., in West Java, Madura, West Sumatera, Lombok, Yogyakarta. The gap in this study lies in the novelty of the research area conducted in Riau, as emphasized by KNEKS Indonesia's desire for Riau to become a center for research, training, and development of the halal industry in Indonesia.

The aim of this research is to investigate the behavior, preferences, and identify factors influencing consumer behavior towards halal tourism in Riau. It aims to complement existing literature on halal tourism with a focus on the Riau region. This study will enhance understanding of the potential for halal tourism in Riau, which is one of the five provinces highlighted for the development of the halal industry by KNEKS. By addressing research gaps through exploring halal tourism preferences in Riau, this research can make a significant contribution to the development of the tourism industry and Shariah economy in the region.

**RESEARCH METHOD**

This research adopts an approach using primary data, where data collection is conducted through online questionnaire distribution to respondents who have been selected beforehand for this study. Respondents are from the Riau region, residing in Riau, and those who have the intention to visit Riau. In the questionnaire, each question is rated on a five-point scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The methodology applied in this research is quantitative, and the number of respondents involved is 256 individuals with an age range from 16 to 55 years old.

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15 Noviyani et al.,

Table 1. Respondent’s Demographics

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Male</th>
<th>44.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Genre</td>
<td>Female</td>
<td>55.5%</td>
</tr>
<tr>
<td>Age</td>
<td>16-25 years old</td>
<td>84.3%</td>
</tr>
<tr>
<td></td>
<td>26-35 years old</td>
<td>15.7%</td>
</tr>
<tr>
<td>Occupation</td>
<td>Student</td>
<td>2.7%</td>
</tr>
<tr>
<td></td>
<td>Undergraduate</td>
<td>75.2%</td>
</tr>
<tr>
<td></td>
<td>Employment</td>
<td>20.9%</td>
</tr>
<tr>
<td></td>
<td>Housewife</td>
<td>1.2%</td>
</tr>
<tr>
<td>Region</td>
<td>From Riau</td>
<td>69.6%</td>
</tr>
<tr>
<td></td>
<td>Residing in Riau</td>
<td>12.2%</td>
</tr>
<tr>
<td></td>
<td>Outside Riau</td>
<td>18.2%</td>
</tr>
</tbody>
</table>

This study applies the Partial Least Squares Structural Equation Modeling (SEM-PLS) Model using SmartPLS4. In this study, the sampling technique used is purposive sampling. According to science, purposive sampling is a sampling technique based on specific attributes that are considered related to known population attributes. Additionally, multivariate analysis (SEM) is a statistical analysis method used for constructing and testing statistical models, typically in the form of causal models. PLS, on the other hand, is an alternative analysis method for Structural Equation Modeling (SEM) that focuses on variables.

RESULT AND DISCUSSION

Halal tourism can be defined as any destination or tourism activity that aligns with the principles of Islamic teachings and is permissible for use or participation by Muslims in the context of the tourism industry. Yusuf et al. argue that halal tourism is a type of tourism that adopts Islamic values, tourism related to objects or activities suitable for Muslim travelers. The term "halal tourism" refers to the travel industry that offers goods and services to Muslim travelers, enabling them to perform their religious duties and restrict their food

consumption according to Islamic principles\textsuperscript{19}. This concept focuses on the development of destinations and tourism services that comply with Islamic rules to meet the needs that prioritize religious values in their travel.

In the research by Adiba & Nasrulloh\textsuperscript{20}, it was found that there are six factors influencing the intention of Muslim travelers to engage in Shariah tourism: personal community perception, religious beliefs, infrastructure, halal marketing, halal awareness, and destination image. The factor of personal community perception was found to be the most dominant factor for Muslim travelers in their decision to engage in tourism. In line with the research conducted by Ratnasari et al\textsuperscript{21}, the findings indicate that halal tourism and destination image influence the intention of Muslim tourists to visit tourist destinations in West Java, and halal tourism indirectly influences the intention to visit through destination image as an intervening variable in West Java tourism destinations.

Theory of Planned Behavior (TPB) is used to understand the decision-making process undertaken by individuals and organizations\textsuperscript{22}. The main objective of this theory is to provide a more comprehensive understanding of individual or organizational behavior. Several studies use TPB to analyze consumer behavior in purchasing products and services\textsuperscript{23}. TPB is also specifically used to analyze the halal concept to explain consumers' desires and behaviors towards halal products\textsuperscript{24}. TPB is justified in halal tourism because it offers better insights into explaining the attitude and behavior factors influencing specific behaviors (Suid et al., 2017; Ulfy et al., 2021).


\textsuperscript{20} Adiba, “Exploring Muslim Tourist Intention on Shariah Tourism to Madura.”


This research adopts variables based on the Theory of Planned Behavior, which identifies three exogenous latent variables ($\varepsilon$), namely Attitude, Subjective Norm, and Perceived Behavioral Control. Meanwhile, the endogenous latent variable ($\eta$) in this study is the Preference for Halal Tourism. The measurement of these variables uses pre-determined indicators, as detailed in the following table:

Table 2. Variable and Indicator Penelitian

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Indicator</th>
<th>Symbol</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attitude ($\varepsilon$)</strong></td>
<td>I believe that spending time in a halal tourism destination in Riau will bring positive benefits to me</td>
<td>S1</td>
<td>Cahyaningsih &amp; Nugroho (2022)</td>
</tr>
<tr>
<td></td>
<td>I'm looking for information on tourist destinations in Riau that I would visit if the destination doesn't offer halal tourism services</td>
<td>S2</td>
<td>RamadhaantiD &amp; Masi (2023)</td>
</tr>
<tr>
<td></td>
<td>I feel that a journey that adheres to religious principles will provide a more meaningful experience</td>
<td>S3</td>
<td>Asnawi (2021)</td>
</tr>
<tr>
<td></td>
<td>Based on the information I obtained, halal tourism destinations in Riau are considered safe destinations</td>
<td>S4</td>
<td></td>
</tr>
<tr>
<td><strong>Subjective Norm ($\varepsilon$)</strong></td>
<td>I'm more interested in visiting tourist destinations in Riau that are recommended by experienced individuals or those who have visited the area</td>
<td>NS1</td>
<td>Cahyaningsih, &amp; Nugroho (2022)</td>
</tr>
<tr>
<td></td>
<td>The people around me are more inclined to recommend halal tourism</td>
<td>NS2</td>
<td>Ramadhaanti &amp; Marsasi (2023)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perceived Behavioral Control (ε)</th>
<th>Preference Halal Tourism (η)</th>
</tr>
</thead>
<tbody>
<tr>
<td>My family suggests that I visit halal tourism destinations in Riau</td>
<td>Choosing halal tourism destinations in Riau is the right thing to do</td>
</tr>
<tr>
<td>NS3</td>
<td>PPH1</td>
</tr>
<tr>
<td>My close friend invited me to visit halal tourism destinations in Riau</td>
<td>I plan to visit halal tourism destinations in Riau in the near future</td>
</tr>
<tr>
<td></td>
<td>PPH2</td>
</tr>
<tr>
<td></td>
<td>I will recommend halal tourism destinations in Riau to my relatives</td>
</tr>
<tr>
<td></td>
<td>PPH3</td>
</tr>
<tr>
<td></td>
<td>I have a strong intention to choose halal tourism destinations in Riau as the destination for my upcoming vacation</td>
</tr>
<tr>
<td></td>
<td>PPH4</td>
</tr>
</tbody>
</table>

The conceptual framework using SEM-PLS for this research is as follows:

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In SEM-PLS model analysis, there are several evaluation steps, which involve measurement model evaluation, structural model evaluation, and hypothesis testing. Measurement model evaluation plays a crucial role in determining the validity and reliability of measurements in research. This evaluation process involves comparing the factor loading values of latent variables with their related indicators. If the factor loading values range from 0.6 to over 0.7, they are considered sufficient according to the criteria proposed by Alam.

Figure 1. Framework

Figure 2. Convergent Validity Test

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27 Adel and Adel, “Muslims’ Travel Decision-Making to Non-Islamic Destinations: Perspectives from Information-Seeking Models and Theory of Planned Behavior.”

From the above figure, it can be seen that the results of the convergent validity test on the factor loading values show numbers greater than 0.6, indicating that all the indicators used are considered valid. Subsequently, validity is tested through the evaluation of the AVE (Average Variance Extracted) values. AVE values exceeding 0.5 indicate that more than half of the construct can explain its indicators. Reliability testing is conducted through composite reliability and Cronbach's alpha. A variable is considered reliable if its Cronbach's alpha value exceeds 0.6.<sup>29</sup> The reliability testing results indicate that all variables are considered reliable when their Cronbach's alpha values exceed 0.6.

Table 3. Discriminant Test of Composite Validity and Reliability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Code</th>
<th>Loadings</th>
<th>Cronbach's Alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude</td>
<td>Att1</td>
<td>0.900</td>
<td>0.891</td>
<td>0.914</td>
<td>0.924</td>
</tr>
<tr>
<td></td>
<td>Att2</td>
<td>0.882</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Att3</td>
<td>0.869</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Att4</td>
<td>0.817</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subjective Norm</td>
<td>SN1</td>
<td>0.732</td>
<td>0.847</td>
<td>0.899</td>
<td>0.662</td>
</tr>
<tr>
<td></td>
<td>SN2</td>
<td>0.861</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SN3</td>
<td>0.902</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SN4</td>
<td>0.878</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Behavioral Control</td>
<td>PK1</td>
<td>0.693</td>
<td>0.792</td>
<td>0.914</td>
<td>0.864</td>
</tr>
<tr>
<td></td>
<td>PK2</td>
<td>0.773</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PK3</td>
<td>0.803</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PK4</td>
<td>0.844</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferency Halal Tourism</td>
<td>PPH1</td>
<td>0.807</td>
<td>0.865</td>
<td>0.908</td>
<td>0.909</td>
</tr>
<tr>
<td></td>
<td>PPH2</td>
<td>0.899</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PPH3</td>
<td>0.894</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PPH4</td>
<td>0.765</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The CR and CA values of each latent variable are > 0.70, and the AVE values of each variable are > 0.50. The results of the ratios above indicate that the instruments constructed from these latent variables and indicators are valid and reliable.

Table 4. Discriminant Test of Composite Validity and Reliability

<table>
<thead>
<tr>
<th>Preferency</th>
<th>R Square</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.702</td>
<td>0.698</td>
</tr>
</tbody>
</table>

Evaluating the structural model in SEM-PLS analysis involves analyzing several parameters, including the coefficient of determination or $R^2$ values, path coefficients, and $t$-statistics values. The assessment of $R^2$ values focuses on the constructs of endogenous variables, which are the variables influenced in the model. Chin (1998) categorized $R^2$ values into three main categories to measure the strength of relationships in the model: strong ($R^2 \geq 0.67$), moderate ($0.33 \leq R^2 < 0.67$), and weak ($R^2 < 0.19$). Thus, the $R^2$ value provides an indication of the extent to which variability in the endogenous variable can be explained by exogenous latent variables in the model. Based on the table above, the $R^2$ test result is 0.702. It can be concluded that the exogenous variables contribute 70% to the influence of the endogenous variables, which is considered a strong influence. This indicates that the exogenous variables have a significant impact on the endogenous variables, and the remaining influence is influenced by variables that have not been tested.

Table 5. Discriminant Test of Composite Validity and Reliability

<table>
<thead>
<tr>
<th>Model</th>
<th>Original Sample</th>
<th>T Statistics</th>
<th>P Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude -&gt; Preferensi Pariwisata Halal</td>
<td>0.316</td>
<td>5.455</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>Norma Subjektif -&gt; Preferency halal tourism</td>
<td>0.264</td>
<td>5.693</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>Percieved Behavioral Control -&gt; Preferency halal tourism</td>
<td>0.376</td>
<td>5.628</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

The next evaluation step involves using path coefficient values to explain the relationships between constructs in the model. The $t$-statistic values or $p$-values are obtained through the implementation of bootstrapping algorithms in SmartPLS software. In the context of this research, the significance level used is 5 percent, so $t$-statistic values $>1.96$ or $p$-values $<\alpha=5$ percent are expected to indicate statistical significance. By using this approach, researchers can ensure that the relationships between variables in the model are not only substantively strong but also statistically significant.

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From Table 5, it can be seen that the influence of attitude on halal tourism preferences (H1) has a coefficient value of 0.316, a t-statistic value of 5.455 (<1.96 t-table), and a p-value of 0.000 (>0.05). Thus, H1 is accepted. The positive coefficient value indicates that both variables have a positive relationship, and the t-statistic reaching the critical value indicates that there is sufficient statistical evidence to support the significant influence of attitude on halal tourism preferences. These findings are consistent with the research by Ramadhanti & Marsasi\(^{31}\), attitude variable significantly influences the intention of halal tourism. Furthermore, the research by Qoi et al., and Wang et al.,\(^ {32}\) has positioned attitude as an important predictor leading to someone's intention.

Positive community attitudes towards halal tourism in Riau are a form of comfort that is acceptable to society. Furthermore, their desire for a more meaningful experience from halal tourism strongly encourages people to intend to visit halal tourism destinations.

H2 the influence of subjective norm on halal tourism preferences, with a coefficient value of 0.264, a t-statistic value of 5.693 (>1.96 t-table), and a p-value of 0.000 (<0.05), is accepted. The positive coefficient value indicates a positive relationship between the two variables. Supported by the research findings of Mohammed\(^{33}\) which indicates a significant positive influence of subjective halal norms on the intention to recommend halal tourism in Ghana. When subjective norms increase, preferences for halal tourism also tend to increase. The community’s response to halal tourism from their close contacts tends to make them interested in visiting halal tourism destinations.

H3, the influence of perceived behavioral control on halal tourism preferences, with a coefficient value of 0.376, a t-statistic value of 5.628 (>1.96 t-table), and a p-value of 0.000 (<0.05), is accepted. The positive coefficient value indicates a positive relationship between the two variables. When perceived behavioral control increases, preferences for halal tourism also tend to

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\(^ {32}\) Ramadhanti and Marsasi, “The Influence of Attitudes and Halal Perceptions on Intention to Visit Halal Tourism Destinations.”

increase. In line with the research by Purusottama & Prastowo, it was found that the perceived behavioral control variable has a positive and significant effect on the intention to visit and recommend halal tourism. This indicates that the higher the individual's perceived behavioral control towards halal tourism, the greater the likelihood of them engaging in halal tourism activities.

The community has full control over their choices in selecting halal tourism destinations. Their interest in visiting halal tourism in Riau by offering halal tourism services, and if halal facilities are not available, they will consider visiting certain tourism destinations. This indicates that the perception of behavioral control has a strong positive influence on consumer preferences for halal tourism in Riau.

CONCLUSION

This study aims to understand consumer preferences towards halal tourism. By applying the Theory of Planned Behavior and using SEM-PLS, it provides comprehensive findings in understanding the factors influencing halal tourism preferences. The research results indicate that attitude, subjective norm, and perceived behavioral control have a positive and significant influence on halal tourism preferences. These findings could serve as potential areas for further research or marketing strategy development. This study could contribute to understanding societal behavior related to halal tourism, which is relevant to global trends and the growth of the halal industry.

The implications of this research can aid in the development of the halal tourism industry in Indonesia, particularly in the Riau region. Industry players and stakeholders can take steps and policies to enhance aspects such as subjective norms and perceptions of behavioral control to meet tourist preferences through government policy regulations to protect the environment and culture and promote environmentally friendly practices in the tourism sector. The government can organize training and certification programs for halal tourism industry players, including tour guides, accommodation managers, and local traders. This training can include skills in providing friendly services, maintaining cleanliness, and respecting local culture. By improving service quality, tourism industry players can shape positive subjective norms among tourists and enhance control perceptions over the tourism experience. Academics can also contribute to advancing digital literacy, research, and

innovation in the halal industry, thereby making a significant contribution to the
dynamic and innovative digital ecosystem in the halal value chain.

However, this research has limitations, including limited data sources
and variables used. Although this study provides new insights, there is still room
for further research. Future research could explore additional factors influencing
halal tourism preferences or conduct cross-country research for broader
understanding.

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