Research Paper

Factors Influencing Muslim Customer Loyalty: The Mediating Effect of Muslim Customer Satisfaction in Indonesia

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ARTICLE INFO	ABSTRACT
	McDonald's held the second position in the Top Brand Index for five consecutive years from 2015 to 2020 conducted by Frontier Consulting Group, with participation from customers in eight major cities in Indonesia, including Semarang city. McDonald's experienced a decline in customer loyalty, which poses a challenge for the restaurant to maintain its customer base and attract new customers. Therefore, this research aims to examine the factors that influence Muslim customers' loyalty to McDonald's. The study focuses on Muslim customers with McDonald's subscriptions in Semarang City, with a sample of 144 respondents. The analysis technique used was the Structural Equation Model-AMOS. The study reveals that halal labeling, product quality, and Muslim customer satisfaction have a significant effect on Muslim customer loyalty. The quality and price of the product have a significant effect on Muslim customer satisfaction. Muslim customer satisfaction as an intervening variable cannot mediate all variables on Muslim customer loyalty. Hence, producers should focus on products of *al-tayyibat*.

Introduction

The expansion of franchise business in Indonesia, including domestic and foreign franchises, has been rapid, particularly in the food industry, specifically fast-food restaurants, which are currently prevalent in Indonesia. This may cause intense

competition among these businesses in attracting customers. Companies, restaurants, and products may be recognized as TOP brands based on a national survey conducted by Frontier Consulting Group. TOP Brand survey provides opportunities to 12.500 customers in eight big cities to become respondents, evaluating approximately 500 product categories and 1,000 product brands awarded the TOP predicate. The 2nd phase survey of the TOP Brand Index in 2015 indicated that KFC was the most popular fast-food restaurant with 59.3% of the vote, followed by McDonald's with 17.5%, A&W with 7.1%, and Hoka-Hoka Bento with 4.1%. In 2016, KFC remained the most popular fast-food restaurant with 63.9% of the vote, followed by McDonald's with 18.6%, A&W with 2.6%, Hoka-Hoka Bento with 2.5%, and CFC with 2.0%. In 2017, KFC received 60.4% of the vote, followed by McDonald's with 19.0%, A&W with 3.7%, Hoka-Hoka Bento with 2.9%, and CFC with 2.7%. In 2018, KFC's popularity decreased to 42.7%, while McDonald's increased to 24.3%, A&W received 6.3% of the vote, Hoka-Hoka Bento received 5.8%, and Richeese Factory received 2.7%. In 2019, KFC received 26.2% of the vote, followed by McDonald's with 22.4%, A&W with 5.4%, Hoka-Hoka Bento with 5.4%, and Richeese Factory with 4.3%. Finally, in 2020, KFC remained in the lead with 26.4% of the vote, followed by McDonald's with 22.8%, A&W with 6.5%, Hoka-Hoka Bento with 5.9%, and Richeese Factory with 4.9%. The data indicate that McDonald's lags behind KFC in terms of outlet expansion, despite being ranked second in the top brand index for six consecutive years in Indonesia.

McDonald's originated in California, United States, and produces fast food which is a type of easily served, packaged, and processed food that is simple to prepare. These foods are typically produced by the food processing industry using advanced technology and various additives to maintain freshness and enhance flavor. Fast food is usually in the form of packaged side dishes, instant noodles, nuggets, salads, kebabs, sandwiches, and others. Prof. K.H. Ibrahim Hosen, LML (Chairman of the MUI Fatwa Commission in 1980 – 2000) once stated that if a product has undergone technological processing and the original form of the raw material is no longer recognizable, then the product can be categorized as a dubious product. Furthermore, in the Qur'an, Allah Subhanahu Wata'ala has said in Surah Al-Maidah verse 3 that Muslims must stay away from foods - drinks that contain these prohibited elements. Even products that are not clearly halal or haram or still questionable should be avoided by Muslims (BPS).

Central Java Province in Indonesia has a food consumption rate of 49.08% (BPS, 2017). The Population and Civil Registration Office of Semarang City (2019) recorded that the population of Semarang the capital city of Central Java reached 1,674,358 people with the majority of the Muslim population reaching 1,350,310 people (BPS, 2017). This indicates a potential preference for products that are labeled as halal, as these products are considered *halalan thayyiban* - foods that are deemed safe and proper for human consumption based on health regulations and religious laws (Helmi, 2019). Tarigan (2016) explained that the term of *al-tayyibat* in the Qur'an according to Yusuf Ali has a meaning of "something good", "something good and holy", "something clean and holy", beautiful and good things", and thoroughly on the best food to consume. Halal labeling pertains to the addition of a halal symbol, a written statement declaring the product's halal status, bearing the Arabic word "Halal," along with the MUI (Majelis Ulama Indonesia) inscription and code assigned by the Minister because it has passed the halal inspection conducted by MUI (Majelis Ulama Indonesia) (Alfian & Marpaung, 2017).

In general, Muslims are aware of the prohibition of consuming certain items such as pork, carrion, blood, liquor (*khamr*), and human organs. However, many Muslims are unaware that numerous products available in the market, particularly fast food, are derivatives or contain prohibited ingredients such as pork, carrion, blood, *khamr*, or human organs. This highlights the significance of the fatwa issued by the Majelis Ulama Indonesia (MUI) regarding the halal status of fast-food products.

A business can have customer loyalty by ensuring customer satisfaction. *Qona'ah*, which refers to satisfaction in Islam, is a manifestation of physical and mental contentment that arises from faith and gratitude towards Allah. According to Sitepu (2016), to attain this level of satisfaction, Muslims must take into account several factors such as consuming halal goods or services, avoiding excessive consumption, refraining from wastefulness (*tabdzir*), and avoiding extravagance (*ishraf*). Salma and Ratnasari (2015) explained that loyalty in Islam or *al-wala'* is the adherence to the complete implementation of Islamic sharia as an act of obedience to Allah. Customer loyalty in Islam is achieved when the *muamalah* activities can provide mutual benefit, fulfilling obligations and respective rights through the application of Islamic values.

Previous research in the area of customer loyalty to brands among Muslim customers has been limited. While previous studies (Hidayat & Resticha, 2019; Khoironi et al., 2018; Kusumasasti et al., 2017) have examined aspects of product quality and halal labeling, they did not focus specifically on Muslim customers or their loyalty to a particular brand. Therefore, this study aims to address this gap by focusing on Muslim customers in Semarang, Central Java Province, where most of the population is Muslim. The study seeks to analyze the factors that contribute to Muslim customer loyalty towards McDonald's, specifically examining the impact of halal labeling, brand image, product quality, and price on Muslim customer satisfaction as an intervening variable.

Hypotheses Development

This study uses variables of halal labeling, brand image, product quality, and price as the independent variables to describe Muslim customer loyalty to McDonald's. The variable of halal labeling is adopted in this study due to its ability to create Muslim customer satisfaction. The halal certification process carried out by LPPOM MUI assures customers that the product consumed is safe and clean. Moreover, in Islam, it is required to consume halal products (Anggraini & Suryoko, 2018; Hidayat and Resticha, 2019). Therefore, the hypothesis is formulated:

H1: *Halal labeling positively and significantly affects the Muslim customer satisfaction.*

Halal labeling serves as an indicator that the product is compliant with Islamic law, safe for consumption, and of high quality. This can lead to customer satisfaction and loyalty, as customers are more likely to make repeat purchases of products that have been certified as halal (Hasib & Anwar, 2020; Quoquab et al., 2019).

H2: *Labeling positively and significantly affect the Muslim customer loyalty.*

The present study considers the brand image variable as a crucial factor, as the brand is an essential asset for producers and significantly influences the success of products and services. A successful brand image is when customers can easily identify the needs that are

fulfilled by the brand, differentiate it from its competitors, and increase customer loyalty. Customers do not merely judge a brand based on its products and services, but also consider the human resources associated with it.

H₃: *Brand image positively and significantly affect the Muslim customer satisfaction.*

Brand image and product are critical components that, when combined, can generate the desired response from the company's target market, attract customers, and gain a market competitive advantage. A marketing strategy that effectively meets the needs of customers and encourages repeat purchases, especially over a long period of time, can result in customer loyalty (Hengestu & Iskandar, 2017; Wilson, 2019).

H₄: *Brand image positively and significantly affect the Muslim customer loyalty.*

A product that has good quality can maintain the level of satisfaction and increase the likelihood of repeat purchases in the future. It is important to note that a good quality product should be *al-tayyibat*, which refers to the concept of being good, clean, and pure, and *al-rizqi*, which denotes the blessings bestowed by Allah that should be managed properly by humans (Setiawan, 2020). Customers will experience satisfaction when they perceive that a product is useful and can generate material, spiritual, and moral benefits for them (Khoironi et al., 2018; Wantara et al., 2019).

H₅: *Product quality positively and significantly affects the Muslim customer satisfaction.*

A good quality product that in accordance with the gained benefits by Muslim customers, creates Muslim customer loyalty. Usmandani and Darwanto (2021) explained that the quality of halal food products is a significant factor that Muslim customers consider when making purchasing decisions. Therefore, it presents an opportunity for producers to focus on producing halal food products with consistent and high-quality standards. This can encourage Muslim customers to make repurchases and develop brand loyalty (Fitrajaya et al., 2019; Rosalina et al., 2019).

H₆: *Product quality positively and significantly affects the Muslim customer loyalty.*

This study includes price because determining the satisfaction of a Muslim is not based on how many the consumed products, but rather on the extent to which the price of the product is deemed beneficial and worthy of its cost (Qalati & Subagyo, 2016; Qalati et al., 2019; Sitepu, 2016).

H₇: *Price positively and significantly affects the Muslim customer satisfaction.*

Price in the Islamic perspective is following customers' and producers' desires or more specifically is a price set by the market forces that run freely between supply and demand without harming the market participants (Azizah, 2012). Pricing should also ensure justice in reciprocal transactions between customers and producers, which will result in customer trust and loyalty toward the producer (Cardia et al., 2019; Shen et al., 2021).

H₈: *Price positively and significantly affects the Muslim customer loyalty.*

In Islam, customer loyalty is attained through *muamalah* activities that provide mutual benefit to both parties, fulfilling obligations and respecting each other's rights based on the application of Islamic values (Wono et al., 2020; Subaebasni et al., 2019).

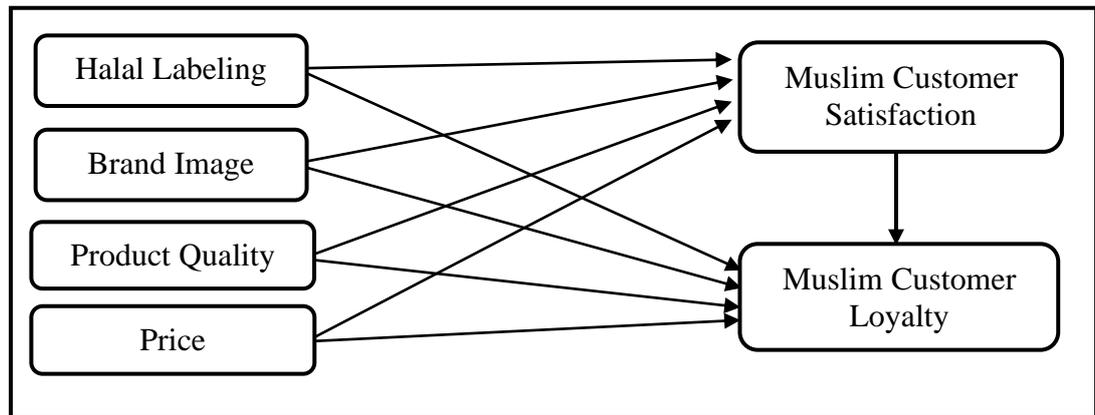**H₉**: *Muslim customer satisfaction positively and significantly affect the Muslim customer loyalty.*

Figure 1. Theoretical Framework

Method

Research Design

This study used Structural Equation Model (SEM) in data analysis and Sobel Test in mediation effect analysis. There are seven steps in the modeling and analysis of structural equations, namely developing a model based on theory; drawing up path diagrams; converting path diagrams into structural equations; selecting an input matrix for data analysis; assessing the model; model estimate; and interpretation of the model (Ghozali, 2017).

Participants/Sample Selection and Data Sources

The sampling technique used purposive sampling. It belongs to a non-probability sample where the selection is made based on certain criteria (Sugiyono, 2017). The data was collected from an online questionnaire for 3 weeks with 5 Likert scales (1 = strongly disagree to 5 strongly agree) to get 147 respondents. 144 respondents were included since it suits the criteria of Muslim customers who subscribe to McDonald's in Semarang City.

Instrumentation

The instruments used in this study were developed based on the theories and perspectives of Islam and were compiled from previous studies by experts and researchers. The instruments were consulted with supervisors to ensure their validity and to determine how well they could measure the indicators of the variables being studied from the perspective of Muslim customers.

Table 1. Indicator Variable of Research

Variable	Indicator
Halal labeling (X1) (Alfian& Marpaung, 2017)	Consume halal-labeled foods. Confident with halal stamped product. Trust the halal certificate and halal logo for every kind of halal foods. Consideration of re-purchase the product because it

Variable	Indicator
	has been labeled halal.
Brand image (X2) (Gabrielle and Harjati, 2018; Maupa et al., 2019)	Brand Strength. Brand Favorable. Brand Uniqueness. Brand Popularity.
Product quality (X3) (Sukardi, 2016; Jonwari, 2020)	Product contains al-Tayyibat Product contains al-Rizq Valuable product Useful product
Price (X4) (Ibn Taimiyah in Amalia, 2012)	Fair price. Price conforms to product quality. Prices are determined by market mechanisms. Reasonable price.
Muslim customer satisfaction (Y) P3EI (2008)	Halal. Not in vain (*tabdzir*). Tabligh (good conveying). Honest.
Muslim customer loyalty (Z) (Mashuri, 2020; Nawawi, 2011)	Transparent. Trusted (Amanah). Sincere. Have tolerance.

Data Collection

The primary data for this study was collected through online questionnaires distributed to Muslim customers at McDonald's Semarang City who met the established criteria. The data collection process involved several steps, including a) Developing relevant questionnaire questions from various sources, b) Creating the questionnaire using Google Forms, c) Including the researcher's name, university affiliation, study title, criteria, and links to the questionnaire in a caption, d) Disseminating the caption and questionnaire links via social media for 2 weeks, and e) Downloading the completed questionnaire data from Google Forms for analysis.

Data Analysis

Analysis of Structural Equation Model (SEM)

The present study utilizes the Structural Equation Model – AMOS to examine the proposed hypotheses. The strength of the relationship between variables, both latent and manifest, can be evaluated using this method. Additionally, it allows for an investigation of possible significant relationships between variables and the degree to which the proposed model matches the field data. The Structural Equation Model (SEM) is a statistical method that combines two distinct techniques and a set of outcome techniques, which permits the simultaneous testing of relatively intricate relationships. SEM modeling consists of two parts: the Measurement Model and the Structural Model.

Measurement Model

The measurement model in SEM modeling aims to confirm a dimension or factor based on empirical indicators. This study has independent variables namely, Halal Labeling, Brand Image, Product Quality, And Price with 16 indicators. The intervening variable of Muslim customer satisfaction has 4 indicators. Dependent variable of Muslim customer loyalty has 4 indicators. The results are presented in Figure 2.
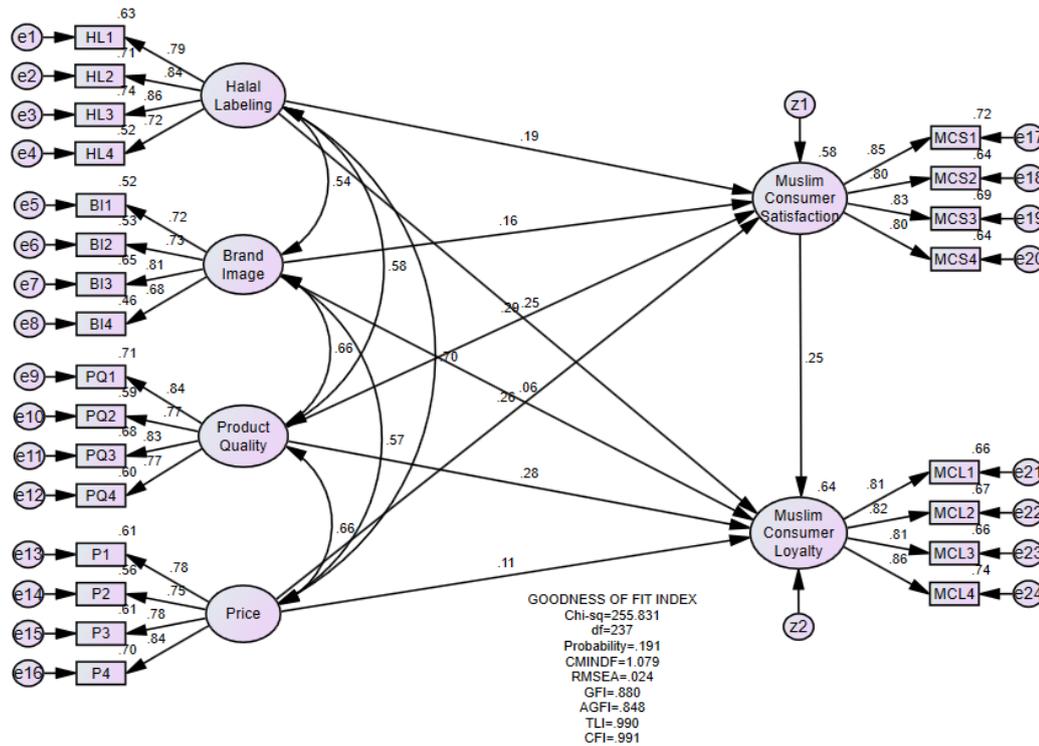

Figure 2. Confirmatory Factor Anaylis

This study conducted a reliability test that can be seen from construct reliability (CR) and verage variance extracted (AVE). The recommended value for construct reliability is CR ≥ 0.70 and the average variance extracted is AVE ≥ 0.50. The results are presented in Table 2.

Table 2. Standard Loading, Construct Reliability, and AVE

Variable	Indicator	SL	CR	AVE
Halal Labeling	LH1	0.792		
	LH2	0.840	0.881	0.640
	LH3	0.860		
	LH4	0.724		
Brand Image	CM1	0.724		
	CM2	0.726	0.825	0.542
	CM3	0.808		
	CM4	0.680		
Product Quality	KP1	0.844		
	KP2	0.766	0.879	0.646
	KP3	0.827		

Variable	Indicator	SL	CR	AVE
	KP4	0.774		
Price	H1	0.780		
	H2	0.751	0.867	0.620
	H3	0.780		
	H4	0.836		
Muslim customer satisfaction	KKP1	0.850		
	KKP2	0.800	0.891	0.672
	KKP3	0.830		
	KKP4	0.798		
Muslim customer loyalty	LKM1	0.810		
	LKM2	0.820	0.896	0.683
	LKM3	0.813		
	LKM4	0.862		

Furthermore, the validity test can be seen from the score of loading factor > 0.40 on every latent variable. Reliability test can be seen from extracted Construct Reliability and Average Variance Extract (AVE). The recommended score for Construct Reliability is CR ≥ 0.70 and the extracted Average Variance Extract (AVE) is AVE ≥ 0,50.

Table 3 presents the results indicating that the Halal labeling variable has a CR score of 0.881, the Brand Image variable has a score of 0.825, the Product Quality variable has a score of 0.879, the Price variable has a score of 0.867, the Muslim Customer satisfaction variable has a score of 0.891, and the Muslim Customer loyalty variable has a score of 0.896, all exceeding the recommended threshold of 0.70. This implies that the variables are ideal on the overall model.

The Average Variance Extracted (AVE) scores indicate that the Halal labeling variable scores 0.649, the Brand Image variable scores 0.542, the Product Quality variable scores 0.646, the Price variable scores 0.620, the Muslim Customer satisfaction variable scores 0.683, and the Muslim Customer loyalty variable scores 0.683. All of these scores are ≥ 0.50, which aligns with the recommended scores, and can be accepted. Hence, it can be inferred that the data in this study model is dependable, and further steps can be taken accordingly.

Results

Participants' Demographic Information

The study utilized an online questionnaire distributed over a 3-week period to gather responses from 147 individuals, but the researchers selected only 144 participants who met the following criteria: (1) residing in Semarang City, (2) practicing Islam, (3) aged over 17, (4) currently purchasing McDonald's products, and (5) making at least three purchases in the last three months. The results are presented in Table 3.

Table 3. Participants' Demographic Information

Information	Description	Population	Percentage (%)
District	North Semarang	4	2.8
	East Semarang	24	16.7

Information	Description	Population	Percentage (%)
	West Semarang	28	19.4
	Central Semarang	14	9.7
	South Semarang	74	51.4
Gender	Man	42	29.2
	Woman	102	70.8
Age	≤ 20	19	13.2
	21-30	121	84.0
	31-40	2	1.4
	≥ 41	2	1.4
Level of Education	High School	29	20.2
	D1/D3/D4	15	10.4
	S1/S2/S3	100	69.4
Occupation	Student	90	62.8
	Entrepreneur	7	4.9
	Government Employee	4	2.8
	Private Employee	28	19.4
	Housewife	3	2.1
	Others	12	8.3
Income	≤ Rp1.500.000	73	50.7
	Rp1.500.000-Rp.5.000.000	62	43.1
	Rp5.000.000-Rp10.000.000	9	6.2
Purchasing Frequency	≤ Rp100.000	78	54.2
	Rp100.000-Rp200.000	18	12.5
	≥ Rp200.000	48	33.3

Table 3 shows that based on the area of residence d in the South Semarang area which includes the sub-district of Tembalang, sub-district of Banyumanik, sub-district of Gunungpati, sub-district of Candisari, and sub-district of Gajahmungkur, 51.4% or 74 respondents live in this area. Based on gender, the majority of participants were female 70.8% or 102 people. Based on age, the majority of participants aged 21-30 years amounted to 84% or 121 people. Based on the level of education, the majority of participants have an education level of S1/S2/S3 of 69.4% or 100 people. Based on occupation, the majority of participants work as students, amounting to 62.8% or 90 people. Concerning income, the majority of participants have an income of Rp. 1,500,000, accounting for 50.7%. Finally, concerning purchasing frequency, the majority of participants spend IDR 100,000 or 54.2%.

Table 4. Regression Weights SEM Model

	Hypothesis	Estimation	C.R	P	Result
H1	Halal labeling → Muslim customer satisfaction	0.220	1.719	0.086	Rejected
H2	Halal labeling → Muslim customer loyalty	0.260	2.323	0.020	Accepted
H3	Brand image → Muslim customer satisfaction	0.209	1.458	0.145	Rejected

	Hypothesis	Estimation	C.R	P	Result
H4	Brand image → Muslim customer loyalty	0.068	0.554	0.579	Rejected
H5	Product quality → Muslim customer satisfaction	0.311	2.537	0.011	Accepted
H6	Product quality → Muslim customer loyalty	0.271	2.460	0.014	Accepted
H7	Price → Muslim customer satisfaction	0.292	2.046	0.041	Accepted
H8	Price → Muslim customer loyalty	0.111	0.899	0.368	Rejected
H9	Muslim customer satisfaction → Muslim customer loyalty	0.229	2.325	0.021	Accepted

Hypothesis testing based on the structural equations contained in the Critical Ratio (CR 1.96) and sig. value (p 0.05). Table 4 shows the coefficient scores that can be made from the structural equation as follows:

Muslim customer satisfaction
  0.220 Halal labeling + 0.209 Brand image + 0.311 Product quality + 0.292 Price + ε   (1)

Muslim customer loyalty =
  0.260 Halal labeling + 0.268 Brand image + 0.271 Product quality + 0.111 Price +   (2)
  0.229 Muslim customer satisfaction + ε

Furthermore, the table above shows the results of hypothesis testing showing that H_1 yielded 0.220 with a C.R value of 1.717 (C.R ≤ 1.96) and a probability value of 0.86 (p ≥ 0.05) meaning that the hypothesis stating that *Halal Labeling has a positive and significant effect on Muslim Customer satisfaction* is rejected. H_2 yielded 0.260 with a C.R value of 2.323 (C.R ≤ 1.96) and a probability value of 0.020 (p ≤ 0.05) meaning that the hypothesis stating that *Halal Labeling has a positive and significant effect on Muslim Customer loyalty* is accepted. H_3 yielded 0.209 with a C.R value of 1.458 (C.R ≤ 1.96) and a probability value of 0.145 (p ≥ 0.05) showing that the hypothesis stating that *Brand Image has a positive and significant effect on Muslim Customer satisfaction* is rejected. H_4 yielded 0.068 with a C.R value of 0.554 (C.R ≤ 1.96) and a probability value of 0.579 (p ≥ 0.05) meaning that the hypothesis stating that *Brand Image has a positive and significant effect on Muslim Customer loyalty* is rejected. H_5 yielded 0.311 with a C.R value of 2.537 (C.R ≤ 1.96) and a probability value of 0.011 (p ≥ 0.05) meaning that the hypothesis stating that *Product Quality has a Positive and Significant Effect on Muslim Customer satisfaction* is accepted. H_6 yielded 0.271 with a C.R value of 2.460 (C.R ≤ 1.96) and a probability value of 0.014 (p ≥ 0.05) meaning that the hypothesis stating that *Product Quality has a positive and significant effect on Muslim Customer loyalty* is rejected. H_7 yielded 0.292 with a C.R value of 2.046 (C.R ≤ 1.96) and a probability value of 0.041 (p ≥ 0.05) meaning that the hypothesis stating that *Price has a Positive and Significant Effect on Muslim Customer satisfaction* is accepted. H_8 yielded 0.111 with a C.R value of 0.899 (C.R ≤ 1.96) and a probability value of 0.368 (p ≥ 0.05) meaning that the hypothesis stating that the *Price has a Positive and Significant Effect on Muslim Customer loyalty* is rejected. H_9 yielded 0.229 with a C.R value of 2.305 (C.R ≤ 1.96) and a probability value of 0.021 (p ≥ 0.05)

meaning that the hypothesis stating that *Muslim Customer satisfaction has a Positive and Significant Effect on Muslim Customer loyalty* is accepted.

Discussion

The Effect of Halal Labeling on Muslim Customer loyalty through Muslim Customer Satisfaction

This present study highlights the positive and significant effect of halal labeling on Muslim customer loyalty, which is consistent with the findings of Quoquab et al. (2019) and Hasib and Anwar (2020). According to Quoquab et al. (2019), producers should prioritize promoting the halal logo as a marketing strategy to attract and retain Muslim customers. Muslim customers perceive the halal logo as a guarantee of halal certification, and it is one of the key factors influencing their purchase decisions. Therefore, fast food outlet managers should make sure that the halal logo is prominently displayed in their outlets Karimah and Darwanto (2021) argue that including the halal logo on the packaging convinces customers that the product is halal, especially since Muslim customers prefer food products with a certified halal label from a trustworthy halal authority. Consequently, McDonald's outlets in Semarang City need to focus more on their products by clearly displaying the halal label, which will enhance Muslim customer loyalty toward McDonald's products.

Apriyani (2013) describes that the presence of halal labeling on food and beverage items, cosmetics, and medications simplifies the identification of a product, particularly for customers who are unfamiliar with certain ingredients. The incorporation of halal labeling can also safeguard business owners from customer demands and enhance product quality. Furthermore, the authors contend that customers should possess an awareness of halal labeling, opt for halal products based on the presence of halal labeling, and discern which products have been certified (Karimah & Darwanto, 2021).

The visibility of the halal logo on the product packaging is the most important factor in halal labeling. When purchasing McDonald's products, Muslim customers are more likely to look for the halal logo. Producers must maintain the halal certification and display the halal labels on product packaging and outlets. This increases Muslim customers' confidence and trusts in the product's halal status and safety for consumption, which leads to the development of customer loyalty. The likelihood of repurchasing the product after confirming the halal label, on the other hand, is the least important factor in halal labeling. This indicates that only a small percentage of Muslim customers consider purchasing halal-certified products again.

This study indicates that there was a negative and insignificant effect of halal labeling on Muslim customer satisfaction. This is not in line with Hidayat and Resticha (2019) who stated that halal labeling has a positive and significant effect on customer satisfaction so satisfaction can increase customer satisfaction and increase repurchase interest in halal products. Quoquab et al. (2019) stated that the halal logo is more relevant in gaining Muslim customer trust, not satisfaction. If satisfaction is associated with loyalty, it will not provide new insights for fast food industry players. Setyaningsih (2019) also argue that labeling is less of a concern to customers because customers still lack understanding or lack information about food products that have included halal labels. Therefore, the government still needs to provide information about halal labeling to the

Muslim community. Usmandani and Darwanto (2021) stated that although customers have understood the Halalan Thayyiban principles, they still do not pay attention to whether the processed products circulating in the community are truly halal with the LPPOM MUI halal logo, therefore it does not affect customer satisfaction.

Sobel Test for mediation effect cannot be performed as there is no significant direct effect of halal labeling on Muslim customer satisfaction. However, the intervening variable of Muslim customer satisfaction has a significant effect on Muslim customer loyalty.

The Effect of Brand Image on Muslim Customer loyalty through Muslim Customer Satisfaction

This study shows that there is a negative and insignificant effect of brand image on Muslim customer loyalty. This is in line with Asy'ari (2018) who stated that the public does not consider the brand image in purchasing a product because they consider that the brand image is good, which means this variable has been considered good and following public expectation, so that it becomes an advantage in the product compared to other products. Firanazulah et. al., (2021) also state that brand image does not affect customer loyalty because producers are considered good by customers, so another factor that can affect customer loyalty is product quality. Even though the brand image is not the consideration of Muslim customers for being loyal to McDonald's products, the producer or company must create a good brand image for the customers by prioritizing the industry/company quality and the product itself, such as services quality, products quality to improve customer loyalty. Priansa (2014) explained that According to Islamic teachings, Muslims must conduct themselves honestly and fulfill their commitments because Allah will hold them accountable. Maintaining these values leads to the development of a positive personal reputation. A producer or company must establish a positive brand image among customers by emphasizing the quality of the industry or company as well as the product itself. This includes, among other things, providing high-quality services and products to foster customer loyalty to a company's products or services.

Brand image negatively and insignificantly affects Muslim customer satisfaction. This result is consistent with the findings of Irawati (2020), who concluded that based on this study in the customers' eyes the brand already has a good image and popularity. In addition, the large number of menus has also been considered very helpful in facilitating customer needs. Therefore, the brand image of a product does not affect customer satisfaction. Even though the brand image does not affect Muslim customer satisfaction, then producers still have to pay attention to their brand images such as products quality and services by implementing the moral of Rasulullah. According to Nirwana and Rahim (2020), companies that follow Islamic business principles should incorporate the qualities of being a Muslim, such as Siddiq (righteousness), Amanah (trustworthiness), Fathanah (smartness), and Tabligh (communicative).

The Sobel Test cannot be computed to test for the effect of mediation as the impact of brand image on Muslim customer satisfaction is not statistically significant. However, the effect of Muslim customer satisfaction as an intervening variable on Muslim customer loyalty yields significant results.

The Effect of Product Quality on Muslim Customer loyalty through Muslim Customer Satisfaction

There was a positive and significant effect of product quality on Muslim customer loyalty. This is supported by Khoironi et al. (2018) and Hasanuddin et al. (2020), who stated that product quality positively and significantly affects customer loyalty. Zainal and Antoniu (2014) describe that product quality become the value in customer thought and forbid them to purchase other products, customers will repurchase the products if the goods consumed are guaranteed quality which refers to something of *al-tayyibat*. Usmandani and Darwanto (2021) also stated that the quality of halal food products is an important consideration for Muslim customers, providing an opportunity for manufacturers to create halal foods that meet consistent high-quality standards. This can encourage repeat purchases and build customer loyalty to the manufacturer. It is critical to evaluate the product and make necessary improvements to address any deficiencies to achieve high-quality standards that align with customer needs. Ensure that the product meets standards to maintain customer confidence and trust in the product.

The effect of product quality on Muslim customer satisfaction shows that there was a positive and significant effect. Khoironi et al. (2018) stated that product quality positively and significantly affects customer satisfaction. Sembiring (2014) also stated that product quality positively and significantly on McDonald's customer satisfaction. Aziz and Chok (2013) stated that two perspectives exist regarding food quality. From the Islamic perspective, food quality must meet several criteria, such as being hygienic, safe, and healthy. On the other hand, in the general perspective, food quality is assessed by comparing the offered food with competitors' products or by providing food products that fulfill the customers' needs and demands. Therefore, prioritizing product quality can increase the benefit and gain customers satisfaction, it reflects the moral of the Prophet in trading (Nirwana & Rahim, 2020).

This study indicates that Muslim customer satisfaction has not been able to mediate the relationship between product quality and Muslim customer loyalty.

The Effect of Price on Muslim Customer loyalty through Muslim Customer Satisfaction

There was a negative and insignificant effect of price on Muslim customer loyalty. This is in line with Maskur et al. (2016) that price does not affect Muslim customer loyalty. This is contrary to Dimyati and Subagyo (2016) who showed that price positively and significantly affects customer loyalty because if the price is following customer purchasing capacity, it will increase customer loyalty.

Nuryadin (2007) explained that pricing fairness for the public is required by law, which prohibits the sale of products priced above a certain threshold. Even though Muslim customers do not consider price when determining product loyalty, the halal labeling process incurs additional costs such as standardized Islamic materials, specific tools that comply with Islamic law, hygienic serving practices, and halal certification, resulting in higher prices for products such as McDonald's that are differentiated from other fast-food brands.

There is a positive and significant effect between price and Muslim customer satisfaction. This is supported by Dimyati and Subagyo (2016) that price is positively and significantly affects customers satisfaction. Safrizal (2015) also stated that price is

positively and significantly affects Muslim customer satisfaction. Sitepu (2016) explained that in achieving the level of satisfaction, Muslims must consider a variety of factors, including ensuring that the goods or services they consume are halal, avoiding excessive consumption, avoiding wastefulness (*tabdzir*), and abstaining from extravagance (*ishraf*). As a result, Muslim satisfaction is based on the benefit derived from the product's price, whether it is worth it or not, because the worthiness of worship obtained from what they consume should not be in vain.

This study indicates that Muslim customer satisfaction has not been able to mediate the relationship between price and Muslim customer loyalty.

Conclusion

At McDonald's Semarang City, product quality is a crucial factor that positively and significantly influences both Muslim customer satisfaction and loyalty. Halal labeling also has a positive and significant impact on Muslim customer loyalty. Additionally, the price of products also positively and significantly affects Muslim customer loyalty. Product Quality is found to positively impact Muslim Customer satisfaction and Loyalty; therefore, McDonald's must prioritize the quality of its products to meet Muslim customer needs, desires, and benefits. The limitations of this study include the inability of the intervening variable to fully mediate the independent relationship on the dependent variable, and the lack of direct interviews with respondents. Future research can further explore other variables with an Islamic perspective and develop detailed indicators with different objects as a comparison and complement for further research.

Authors' Declaration

The authors made substantial contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of results. The authors read and approved the final manuscript.

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