Research Paper

Identifying Key Determinants of Islamic Customer Perceived Value: A Mixed-Method Study

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ARTICLE INFO	ABSTRACT
	The concept of customer perceived value is crucial for businesses to understand consumer behavior and gain a competitive edge; however, research on Muslim consumers remains scarce. This study seeks to identify the indicators and factors that shape Islamic customer perceived value, particularly within tertiary education institutions. A mixed-methods approach was employed, beginning with qualitative research using focus group discussions and interviews, followed by quantitative analysis through principal component analysis. The focus groups included students, lecturers, and experts, while 118 respondents completed the questionnaires. The findings uncovered 21 indicators and 6 key factors, namely: Islamic academic standards, Islamic attitudes, Islamic performance, Islamic physical attributes, Islamic organizational values, and Halal food and beverage offerings. These results advance the understanding of Islamic marketing and provide valuable insights for universities when formulating marketing strategies aligned with Islamic principles.

Introduction

Customer perceived value has emerged as one of the most crucial concepts in marketing literature in recent years, as it is regarded as the key to sustaining businesses in highly competitive markets (Murrar et al., 2024). It is a fundamental component of customer value and can be defined as the difference between what customers receive from a product or service and what they give in return to achieve their desired outcome, regardless of the

market or service provider (Basrowi et al., 2023). Therefore, understanding the dimensions of customer perceived value and its impact on consumer attitudes and behavior is essential for all marketers. Sheth et al. (1991) identified five components of customer value: epistemic, social, functional, emotional, and conditional. Sweeney and Soutar (2001), as cited in Chen and Lin (2015), further proposed that perceived value encompasses functional, social, emotional, epistemic, and conditional dimensions. Aulia et al. (2016) conducted a literature review on the dimensions of customer perceived value concerning durable goods, categorizing them into product-related, social-related, and personal-related values. The perceived online channel value (POCVAL) comprises five elements: service performance, emotional, monetary, brand integration, and channel convenience values. Negash et al. (2024) revealed that rewards, recognition, reviews, and ratings are the most influential drivers of perceived value.

In Islam, the concept of 'value' refers to something that brings benefits to humanity and nature, while earning the pleasure of Allah SWT. It is deeply rooted in the notion of contributing positively to society and preserving the environment. Moreover, individuals are encouraged to create the best outcomes not only for themselves but for the broader community, as collective well-being is a key tenet of Islamic teachings. Value creation, especially in service industries, transcends basic service delivery—it embodies a deeper sense of understanding, empathy, and emotional connection with customers. Islamic principles also emphasize collaboration, where businesses work closely with stakeholders to create meaningful and sustainable relationships. By aligning their operations with these values, businesses can create a holistic approach to service that resonates with customers on a personal and spiritual level. Consequently, companies that adhere to these values can strengthen their market position, foster customer loyalty, and contribute to the long-term success of their communities (Zainal et al., 2018).

Recognizing the significance of value in Islam, Rahayu et al. (2020), and Eid and El-Gohary (2015) developed the concept of Muslim Customer Perceived Value (MCPV) and tested a conceptual model using exploratory and confirmatory factor analysis. Their analysis identified five dimensions of MCPV: quality value, price value, emotional value, social value, and Islamic attribute value. The MCPV concept is particularly relevant for studies focusing on Muslim consumers, a significant market both in predominantly Muslim countries and countries with large Muslim populations. The vast potential of this market is underscored by the fact that Indonesia, with 231 million Muslims, accounts for 86.7% of the country's population and nearly 13% of the global Muslim population. In 2015, Muslims worldwide spent $1.9 trillion across various sectors, a figure projected to rise to $3 trillion by 2021 (World Population Review, 2024).

Additionally, Mohamed et al. (2020) noted that Muslim consumers possess unique characteristics. In every purchasing decision, they consistently consider the teachings and Shariah of Islam. Religion, being a fundamental cultural factor, significantly influences individuals' attitudes, values, and behavior on both personal and societal levels. Consequently, Islamic religious beliefs play a crucial role in product selection among Muslim consumers (Saneian et al., 2023; Hussin & Tamuri, 2019).

However, despite its importance, empirical research addressing quality-related issues specific to Muslim customers is sparse (Ul-Haq et al., 2020). Mubarrok et al. (2022) emphasized the need for more research in the field of Islamic marketing, particularly in Islamic-based institutions, as most studies to date have been conducted in conventional

settings. Muslim customer satisfaction is likely shaped by distinct religious obligations that cannot be compromised, setting them apart from non-Muslim customers. Similar findings were reported by Manik (2019), Hasyim and Fauzi (2021), and Ullah (2022), who concluded that businesses aiming to target the Muslim market require strategies aligned with Islamic teachings (Albassam & Ntim, 2017).

In the context of higher education, various studies have examined service quality, student satisfaction, and student loyalty. However, these studies have largely neglected the Muslim student population, applying general concepts of service quality and satisfaction without incorporating Islamic elements. As noted earlier, the reference point for Muslim customer satisfaction may differ from that of non-Muslim customers due to their unique religious obligations, which should be reflected in research focusing on Islamic values and their impact on student satisfaction and loyalty (Saneian et al., 2023). This research seeks to integrate Islamic values, specifically Islamic attribute values, into the study of student satisfaction in higher education.

The influence of religious values is also evident in educational choices. When selecting an educational institution, religious beliefs can play a pivotal role. For example, the pursuit of excellence in Islamic educational institutions remains a challenge, with questions surrounding infrastructure, management, and the teaching and learning process. One approach to realizing Islamic education rooted in quality management is by unifying all institutional functions into a comprehensive philosophy that emphasizes quality, teamwork, productivity, and customer satisfaction. Strategies to achieve excellence in Islamic educational institutions include designing effective models, cultivating superior leadership, developing human resources, and integrating Islamic teachings with scientific knowledge (Rosyidah & Rohmawati, 2019).

Given the gap in research focusing on Muslim students, this study aims to reconstruct the concept of Islamic customer perceived value in the higher education industry. Specifically, the study seeks to identify the indicators and dimensions that shape this concept. The following research questions are proposed: (1) what are the indicators that form the concept of Islamic customer perceived value in higher education?; (2) what are the dimensions that comprise the concept of Islamic customer perceived value in higher education?

Method

Research Design

This study aims to identify the indicators and dimensions that constitute the concept of Islamic Customer Perceived Value in the context of higher education. A mixed-method approach, specifically an exploratory sequential design, was employed, consisting of two stages. The first stage involved qualitative research, while the second focused on quantitative analysis. The rationale for choosing this method is rooted in the fact that prior research has not clearly delineated the specific indicators of Islamic customer perceived value in higher education. Therefore, a qualitative approach, through focus group discussions (FGDs), was adopted to explore and identify these indicators. The results of the FGDs were systematically tabulated and used to develop a questionnaire. In the second stage, the questionnaire data were analyzed using Confirmatory Factor Analysis (CFA) to group the indicators into dimensions. The results of the CFA will provide a foundation for

constructing the dimensions of Islamic Customer Perceived Value, contributing valuable insights for Islamic higher education institutions.

Population and Sample

The research was conducted at State Islamic Religious Universities (PTKIN) in East Java, a province of Indonesia, specifically within the Sharia Banking study program. The selected PTKINs include State Islamic University (UIN) Maulana Malik Ibrahim Malang, State Islamic Institute (IAIN) Kediri, and IAIN Madura. Sampling from these three universities provided a more diverse perspective on Islamic customer perceived value within the context of Islamic higher education. Among the seven PTKINs in East Java, these three were chosen for their geographical and demographic representativeness. The total student population across the three universities was 4,396, and using the Slovin formula, a sample of 118 students was obtained. The purposive sampling technique was applied, with the criterion that participants must be at least third-semester students. Students in their third semester and above were considered to have adapted to the campus environment, experienced the education system, and gained sufficient insights into various aspects of campus life, including educational quality, administrative services, campus facilities, and interactions with lecturers and peers. This experience enables them to provide informed assessments of Islamic customer perceived value.

Instrument and Data Collection

To collect the necessary data, this study employed a combination of observation, interviews, and questionnaires. Since the research follows a mixed-methods approach, the data collection was conducted in two stages. In the first stage, qualitative data was gathered through observations and a Focus Group Discussion (FGD). Observations were conducted by directly visiting the research sites—UIN Malang, IAIN Kediri, and IAIN Madura—to obtain a comprehensive understanding of the study environment. The FGD, attended by lecturers, students, and researchers, aimed to identify indicators of Islamic customer perceived value. The second stage involved collecting quantitative data through questionnaires, which were then analyzed using the Confirmatory Factor Analysis (CFA) method. Prior to CFA analysis, open-ended questionnaires were distributed to students at UIN Malang, IAIN Kediri, and IAIN Madura via Google Forms and direct submissions. Open-ended questions were used because no predefined indicators existed for Islamic customer perceived value in higher education, allowing respondents to provide more detailed and nuanced answers. The questionnaire comprised four key questions regarding Islamic values in academic activities, non-academic activities, the physical appearance of the institution, and its non-physical attributes. From this process, hundreds of potential indicators were identified. These responses were then tabulated and grouped based on similarities, providing the foundation for further discussion in the FGD.

Data Analysis

This study employed both qualitative and quantitative data analysis methods. The qualitative data analysis involved three stages: data collection, data reduction, and conclusion drawing. Data collection was carried out through theoretical and empirical studies on previous research, as well as Focus Group Discussions (FGDs) conducted at the

three universities in the sample, involving lecturers, students, and researchers. The FGD results yielded numerous indicators of Islamic customer perceived value, necessitating data reduction. During this process, similar or closely related data were grouped and coded. The final step was drawing conclusions, which resulted in a set of indicators to be used in a questionnaire for quantitative analysis. In the quantitative data analysis stage, the questionnaire was distributed to students from the three universities. The results were classified into several indicators through factor analysis, using the Confirmatory Factor Analysis (CFA) method. CFA was chosen because it reduces the total number of observed variables into a smaller set of dimensions while maintaining the representation of the main variables. The CFA process included owning and measuring a set of variables, preparing a correlation matrix with the Kaiser-Meyer-Olkin (KMO) test and Bartlett's test, extracting factors with Eigenvalues, factor rotation, interpretation, and measurement of validity using Pearson correlation, as well as reliability testing.

Results

Respondents' Profile

Table 1 presents the respondents' characteristics of this study. The demographic data reveal a balanced representation of both male and female participants, with a slightly higher number of females. Of the 118 respondents, 52 are male (44.1%) while 66 are female (55.9%), reflecting a gender distribution that leans more toward female participation. This demographic insight may provide a nuanced perspective on the study's findings, particularly in terms of gender-based perceptions and preferences within the context of Islamic customer perceived value in higher education. The predominance of female respondents could reflect the general trends in enrollment patterns or the gender ratio in certain academic programs, such as Sharia Banking, within the sampled universities. Such a distribution might also influence the way Islamic values, particularly related to modesty, social interactions, and religious obligations, are perceived by the student population. Understanding gender distribution is crucial, especially when considering that Islamic values and practices, such as attire and behavior in public spaces, can vary significantly between male and female students, possibly affecting their overall educational experience.

In terms of the year of entering college, the majority of respondents are from the 2020 cohort, with 112 students (94.9%) enrolling in that year. Only a small fraction of students began their studies in 2021, 2019, and 2018, with two students (1.7%) in each of these years. This heavy concentration of respondents from the 2020 cohort indicates that the data primarily reflects the views of students who are currently in their fourth semester. These students, having been at the university for nearly two academic years, are likely to have sufficient experience with the institution's academic and non-academic environment, making them well-positioned to provide informed opinions on Islamic customer perceived value in higher education. Furthermore, the study encompasses students from three different institutions: UIN Maulana Malik Ibrahim Malang, which contributes the largest number of respondents with 49 students (41.5%), followed by IAIN Kediri with 35 respondents (29.7%), and IAIN Madura with 34 respondents (28.8%). The representation from these three universities is relatively balanced, ensuring that the findings capture a broad range of perspectives across different campuses in East Java. This geographical diversity enhances the generalizability of the results, as it reflects varied institutional

cultures, student demographics, and approaches to incorporating Islamic values into the academic and social environment.

Table 1. Respondents' Demographic Information

Characteristics		Number of Respondents
Gender	Male	52
	Female	66
Year of entering college	2021	2
	2020	112
	2019	2
	2018	2
University	UIN Maulana Malik Ibrahim Malang	49
	IAIN Kediri	35
	IAIN Madura	34

Qualitative Data

The data collection process began with the distribution of open-ended questionnaires to students from the three universities involved in the study. Hundreds of responses were obtained, detailing the Islamic attributes that students felt should be present at universities. These attributes encompass a wide range of both academic and non-academic expectations, such as the inclusion of prayer before and after teaching, incorporating Islamic values into the curriculum, offering courses on Islamic subjects like Arabic and Qur'anic studies, and encouraging the practice of good morals and manners. Additional attributes mentioned include adhering to Islamic dress codes, showing respect toward teachers, fostering Islamic leadership qualities, and maintaining a clean and orderly campus. Specific physical attributes, such as the presence of mosques, calligraphy, Islamic posters, and facilities supporting halal practices, were also highlighted. These wide-ranging attributes were then categorized into four main aspects: Islamic values in academic activities, non-academic activities, physical attributes, and non-physical attributes. Following this categorization, the items were further refined through Focus Group Discussions (FGDs) to identify the most critical indicators of Islamic Customer Perceived Value.

The FGDs, conducted at three different universities, provided deeper insights into the students' and lecturers' perspectives on what Islamic values should be prioritized in higher education institutions. The first set of responses, related to Islamic values in academic activities, emphasized the importance of integrating Islamic teachings with general courses, encouraging students to develop spiritual intelligence, and fostering a learning environment centered on Islamic values. As one lecturer explained, *"There are Islamic courses, such as Arabic, Qur'an and Hadith Studies, and Fiqh Studies; Students are also required to learn the Qur'an, both how to read with tartil and know the meaning; there is an integration of Science and Islam in the course."* This quotation illustrates the demand for a holistic educational experience where students are not only gaining knowledge but also refining their spiritual and ethical foundations. The emphasis on beginning and ending lectures with prayer and weaving Islamic teachings into general academic discourse reveals a clear expectation that higher education institutions

should serve as environments for both intellectual and spiritual growth, distinguishing them from secular institutions.

Moving beyond academic activities, students expressed that Islamic values in non-academic contexts were equally important, focusing on character development and ethical behavior. One student stated, *"In my opinion, Islamic values in non-academic activities are about good manners and reflect Islamic values, and I hope that the role of universities is to form akhlakul karimah."* This comment underscores the students' belief that universities have a responsibility to shape students' moral character, fostering honesty, trustworthiness, and responsibility, all of which are key elements of Islamic teachings. The expectation extends to daily interactions, such as politeness, greeting others with "salaam," and maintaining punctuality, further illustrating the comprehensive role that Islamic values should play in shaping student behavior. This finding suggests that Islamic universities are seen as more than just academic institutions; they are viewed as spaces where students should cultivate virtuous character traits that align with Islamic teachings.

When discussing the physical appearance of Islamic universities, FGD participants suggested that Islamic values should be reflected in the physical attributes of the campus. One participant noted, *"To be more attractive, in my opinion, the lecture building is given Islamic ornaments, for example, calligraphy, posters about aphorisms from Islamic philosophers."* This view highlights the expectation that Islamic universities should visibly embody their religious identity, with physical spaces that are adorned with Islamic symbols and art, including calligraphy and quotes from Islamic scholars. Cleanliness, another key principle in Islam, was emphasized, alongside the need for gender-segregated facilities such as bathrooms and prayer spaces. These expectations reveal that students are not only concerned with the academic and ethical dimensions of their education but also with how Islamic values are physically manifested in their surroundings, which can reinforce their sense of belonging and spiritual connection.

Finally, participants identified non-physical attributes that are crucial for maintaining an Islamic environment within the university. One student mentioned, *"I think it is necessary to have an intra-campus organization related to religious aspects; the celebration of Islamic holidays; the availability of halal canteens."* This response reflects the importance of institutional support for religious practices and activities, such as regular religious studies, observance of Islamic holidays, and providing halal food options on campus. These non-physical attributes emphasize the need for universities to go beyond just creating a conducive physical environment, ensuring that Islamic values are deeply embedded in the campus culture and daily student life. The inclusion of these elements fosters a sense of community and religious observance, which is seen as integral to a truly Islamic educational experience.

In summary, the FGDs concluded with the identification of 21 key indicators of Islamic Customer Perceived Value, which were grouped into religious activities, physical and non-physical attributes, and values embedded in academic and non-academic life. These indicators are instrumental in shaping a comprehensive Islamic educational experience that meets the needs of Muslim students by integrating religious teachings into both academic and everyday campus activities. The findings suggest that higher education institutions catering to Muslim students must ensure that Islamic principles permeate every aspect of campus life, from the curriculum to campus culture, and even to the physical environment.

Quantitative Data

Quantitative data analysis was carried out in order to determine the Islamic customer's perceived value dimensions. The 21 indicators were obtained from the results of theoretical and empirical studies of the previous studies and grouping indicators using factor analysis with confirmatory factor analysis (CFA) method was carried out in the focus group discussions (FGD). The results of the indicators grouping were proposed as Islamic customer perceived value dimensions which can then become latent variables, further relationships patterns or influences on other variables can be determined.

Table 2. KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.760
Bartlett's Test of Sphericity	Approx. Chi-Square	603.931
	Df	210
	Sig.	.000

Based on Table 2, it is known that the significance value of Bartlett's Test of Sphericity is 0.000, which means the relationship between variables is strong enough to allow factor analysis. The Kaiser Meyer Olkin (KMO) value is 0.760, which is greater than 0.5 meaning that the amount of data is sufficient to factor. Thus, both Bartlett's Test of Sphericity and KMO provide strong support that factor analysis can be conducted with the available data.

Table 3. Measure of Sampling Adequacy (MSA)

Indicator	MSA	Indicator	MSA
P2	0.696	P14	0.872
P3	0.591	P15	0.873
P4	0.504	P16	0.874
P5	0.559	P17	0.781
P7	0.652	P18	0.857
P8	0.626	P19	0.781
P9	0.816	P20	0.619
P10	0.741	P21	0.802
P11	0.746	P22	0.724
P12	0.523	P23	0.788
P13	0.871		

Moreover, a Measure of Sampling Adequacy (MSA) is conducted. MSA evaluates the adequacy of the sample for factor analysis, indicating whether variables have enough correlation for meaningful factor extraction. It helps ensure data suitability for such analysis. According to Table 3, it is known that all indicators have an MSA value which is greater than 0.5, indicating that the indicator has a positive impact on the overall model and is therefore suitable for the factor analysis. This ensures that the variables used in this study are interconnected and have sufficient correlation strength to be processed further in factor analysis.

Table 4. Eigenvalue

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.370	25.573	25.573	5.370	25.573	25.573	3.706	17.646	17.646
2	2.662	12.675	38.248	2.662	12.675	38.248	2.823	13.441	31.087
3	1.591	7.575	45.822	1.591	7.575	45.822	2.093	9.965	41.052
4	1.565	7.451	53.273	1.565	7.451	53.273	2.035	9.688	50.740
5	1.282	6.103	59.377	1.282	6103	59.377	1.503	7.159	57.899
6	1.067	5.081	64.458	1.067	5.081	64.458	1.377	6.559	64.458
7	.891	4.242	68.700						
8	.828	3.945	72.645						
9	.794	3.779	76.424						
10	.775	3.690	80.114						
11	.635	3.024	83.139						
12	.575	2.738	85.876						
13	.472	2.247	88.124						
14	.459	2.185	90.309						
15	.415	1.977	92.285						
16	.352	1.676	93.961						
17	.324	1.543	95.504						
18	.293	1.397	96.901						
19	.283	1.345	98.246						
20	.190	.903	99.149						
21	.179	.851	100.000						

Extraction Method: Principal Component Analysis.

Furthermore, Eigenvalue analysis was administered. An Eigenvalue represents the amount of variance in the dataset accounted for by each factor in factor analysis. It measures the contribution of each underlying factor to the overall variance. Factors with larger eigenvalues explain more variance, and typically, only factors with eigenvalues greater than 1 are considered significant for analysis. In this study, Table 4 reveals that the Eigenvalue is greater than 1, indicating each of these factors has a significant influence on the existing variables. Therefore, the 21 indicators can be grouped into 6 different elements. In this process, indicators that are closely related to each other are grouped into one factor, so that each factor represents a different dimension of Islamic customer perceived value in the context of higher education in East Java.

Table 5. Matrix Rotation

Rotated Component Matrix[a]

	Component					
	1	2	3	4	5	6
p2	.195	.358	.007	-.077	.333	**.560**
p3	.068	.103	-.070	.055	**.774**	.213
p4	.018	-.089	-.177	-.059	**.825**	-.078
p5	-.232	-.112	.017	.187	.015	**.666**
p7	.201	.056	.087	**.853**	.004	.086
p8	.067	.062	349	**.804**	-.016	.078
p9	.039	.122	.388	.459	.001	-.411
p10	.011	.081	**.619**	.272	-.071	-.253
p11	.223	-.063	**.682**	.200	-.122	-.020
p12	.051	-.095	**.743**	.028	-.099	.170
p13	**.711**	.092	134	.199	.183	-.221
p14	**.832**	.094	-.019	.108	.061	.086
p15	**.703**	.203	.206	-.017	-.069	-.179
p16	**.664**	.334	.150	-.014	.120	-.063
p17	**.752**	.092	-.187	.257	-.091	.053
p18	**.700**	.263	.346	-.106	.006	.130
p19	.235	**.617**	.149	-.061	.053	.337
p20	.047	**.824**	-.108	-.092	-.080	.025
p21	.227	**.696**	-.151	.265	.007	-.026
p22	.254	**.749**	.230	.087	.087	-.251
p23	.383	**.519**	-.167	.261	.045	-.058

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 10 iterations.

Based on Table 5, indicators that have a high loading value (greater than 0.5) on one factor are grouped together to be interpreted as part of that factor. So from Table 5, there are 6 factors that have an unequal number of indicators. Factor 1 consists of p13 (.711), p14 (.832), p15 (.703), p17 (.752), p18 (.700); factor 2 consists of p.19 (.617), p20 (.824), p.21 (.696), p22 (.749), p23 (.519); factor 3 consists of p.10 (.619), p11 (.682), p12 (.743); factor 4 consists of p7 (.853), p8 (804); factor 5 consists of p3 (.774), p4 (.825) and factor 6 consists of p2 (.560), p5 (.666). ***** The division of indicators into 6 factors shows a clear and consistent structure, thus allowing better interpretation and analysis of the factors in Islamic customer perceived value.

Last but not least, Table 6 shows that the 21 indicators are grouped into 6 factors and each factor is given an appropriate name. Factor 1 is Islamic academics which consists of indicators such as Islamic religious content in courses, Islamic studies, learning aqidah morals, praying at the beginning and end of lectures and reciting Al Qur'an. Factor 2 is Islamic Attitude which consists of polite behavior, discipline, honesty, mutual respect, and tolerance. Factor 3 is Islamic performance which consists of wearing appropriate clothes according to Islamic law, maintaining personal hygiene and maintaining the environment cleanliness. Factor 4 is Islamic physic attribute which consists of campus dormitories (ma'had), campus mosques and Islamic ornaments in campus physical buildings. Factor 5

is Islamic organization which consists of extra-religious organizations and Islamic student activity units. Factor 6 is Halal food and beverage which consists of religious activities and halal canteens.

Table 6. Factors and Indicators

Factor	Indicator	Indicator Statement	Factor Name / Dimension
1	P13	The Islamic religion content in the course	Islamic academic
	P14	There is Islamic studies	
	P15	Delivery of Islamic values outside of lectures process	
	P16	Moral belief learning	
	P17	Pray at the beginning and end of the lecture	
	P18	Recite Al Qur'an	
2	P19	Polite behavior	Islamic attitude
	P20	Discipline	
	P21	Mutual respect	
	P22	Truthful	
	P23	Tolerance	
3	P10	Wear appropriate clothes according to Islamic law	Islamic performance
	P11	Maintain personal hygiene	
	P12	Maintain the environment cleanliness	
4	P7	Campus dormitories (ma'had) are available	Islamic physic attribute
	P8	There is a campus mosque	
	P9	The presence of Islamic ornaments in the physical campus buildings	
5	P3	Extra religious organization	Islamic organization
	P4	Islamic student activity unit	
6	P2	Religious activity	Halal food and beverage
	P5	Halal Cafetaria	

Discussion

This study demonstrates that the concept of customer perceived value can be extended to the higher education sector, identifying 21 indicators and 6 key factors that form Islamic customer perceived value in this context. The findings enhance prior concepts developed in the tourism and Islamic banking industries (Eid & El-Gohary, 2015; Rahayu et al., 2020). Academically, this research enriches the body of knowledge in Islamic marketing by revealing that Muslim consumers' purchasing decisions are predominantly influenced by their religious values and religiosity (Kotler & Keller, 2021; Saneian et al., 2023; Mubarrok et al., 2022). However, these results challenge previous findings, which argue that religiosity does not impact purchasing decisions among Muslim female consumers (Sujono et al., 2023). Islamic values, embedded in these purchasing decisions, emphasize the importance of religious beliefs in shaping perceptions of quality (Floren et al., 2020). The social value explored in this study, manifested through dimensions of attitude, performance, and religiosity, significantly influences consumer decisions (Erol, 2021). Future researchers can utilize these six factors as latent variables and examine their relationship with other constructs.

In the context of higher education, Muslim customer perceived value is most reflected in the dimensions of Islamic academics, Islamic attitudes, and Islamic performance. Students expect the academic environment to embody religious values, such as integrating science with Islamic teachings, promoting respectful interactions in academic settings (e.g., initiating lectures with prayers, incorporating Islamic values into discussions), adhering to Sharia-compliant dress codes, and exhibiting manners in daily campus life (Hussin & Tamuri, 2019). Furthermore, the presence of facilities that support Islamic practices—such as campus mosques, the absence of un-Islamic ornaments, provisions for extracurricular activities, and the assurance of halal food in campus canteens—plays a crucial role. These findings corroborate previous research indicating that the implementation of Islamic teachings fosters not only a balanced personal life but also ensures security, order, and community participation (Ivanova, 2021).

This study further substantiates that Muslim consumers rely heavily on their religious beliefs when making decisions, including those related to higher education. By identifying these 21 indicators, universities can better understand student expectations and use this knowledge for policymaking. For instance, improvements in learning processes, campus infrastructure, and facilities—ranging from classrooms and laboratories to bathrooms and halal food services—can align with student needs. This research introduces fresh insights into the higher education sector, which has predominantly focused on generic service quality, satisfaction, and loyalty measures, often neglecting Islamic elements (Annamdevula & Bellamkonda, 2016). Previous studies on Muslim consumers, while addressing Islamic products, often rely on conventional theories and frameworks.

From a practical perspective, this paper offers valuable contributions to businesses targeting Muslim consumers, a market that, despite its vast potential, remains underexplored (Singkheeprapha et al., 2022; Mohamed et al., 2020; Arshad & Danish, 2018). The more aligned services are with the values of Muslim consumers, the greater their loyalty. Entrepreneurs must also consider the Islamic principles adhered to by these consumers (Albassam & Ntim, 2017; Rafiki et al., 2023), moving beyond conventional marketing strategies. Muslim consumers prioritize not only the quality and price of products but also factors like the halalness of goods, ethical production processes, and the absence of exploitation (Sholihin, 2023; Kurniawati & Savitri, 2020). Religious criteria should thus be integral to corporate strategies for enhancing customer satisfaction, an area that has been largely overlooked by researchers (Ul-Haq et al., 2020). Given the vast potential of the Muslim consumer market in Indonesia, businesses that align their services with Sharia principles, supported by qualified human resources, will likely see increased customer satisfaction, trust, and loyalty—ultimately expanding their market share (Asnawi et al., 2020). Moreover, customer perceived value significantly influences a customer's willingness to pay for enhanced and sustained services (Murrar et al., 2024).

Conclusion

Based on the research conducted, it can be concluded that the concept of Islamic customer perceived value can be effectively developed within higher education by identifying specific indicators and dimensions. This study identified 21 key indicators, which include religious activities, halal canteens, extra-religious organizations, Islamic student activity units, campus dormitories (*ma'had*), campus mosques, Islamic ornaments in

campus physical structures, adherence to Islamic dress codes, personal and environmental cleanliness, Islamic religious content in academic courses, studies on Islamic principles, *aqidah* morals, prayers at the start and end of lectures, recitation of the Qur'an, polite behavior, discipline, honesty, mutual respect, and tolerance. These indicators were categorized into six core factors: Islamic academics, Islamic attitude, Islamic performance, Islamic physical attributes, Islamic organization, and halal food and beverage. These findings suggest that if universities aim to meet the expectations of their students, they should prioritize these dimensions, as they are considered crucial for embodying Islamic values within an academic setting. While the research was conducted at Islamic universities, the results are broadly applicable, as the identified Islamic values possess universal relevance and can be implemented in non-Islamic institutions as well.

This study, however, presents some limitations in terms of both theory and methodology. First, the research was confined to Islamic higher education institutions, so future studies could broaden their scope by including students from general universities or exploring other sectors. Second, the study primarily focused on identifying the indicators and dimensions of Islamic customer perceived value within higher education; therefore, future research could expand by examining the relationship between this concept and other variables, such as satisfaction, loyalty, trust, or additional behavioral factors. This would enhance the theoretical contribution of the value concept and further enrich the understanding of Islamic marketing frameworks.

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 the results. The authors read and approved the final manuscript.

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