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Understanding the Drivers of Consumer Loyalty Among Millennials Towards Halal Restaurants in Indonesia: SEM – PLS Analysis

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ARTICLE INFO	ABSTRACT
Paper Type: Research Paper **Keywords:** *Consumer Loyalty, Brand Image, Halal Label, Religiosity; SEM-PLS* **Article History** Received: 13 June 2024 Revised: 6 September 2024 Accepted: 8 October 2024 Available online: 14 October 2024 This is an open-access article under the CC BY-NC-SA license (https://creativecommons.org/licenses/by-nc-sa/4.0/)	This study aims to investigate the factors that influence customer loyalty to halal restaurants in Indonesia. The study uses purposive sampling and quantitative analysis based on structural equation modeling (SEM) with partial least squares (PLS) to analyze the factors that determine customer loyalty. Data were collected through an online questionnaire completed by 148 customers of halal restaurants in Indonesia and analyzed using the SEM-PLS method. The research results indicate that brand image, halal certification, and religion are mediating variables that have a positive and significant influence on customer loyalty to halal restaurants in Indonesia. This study makes a significant theoretical contribution to the understanding of the determinants of customer loyalty by integrating different theoretical perspectives, thereby serving as a basis for practitioners and Relevant policymakers to direct the development of the halal industry, especially the halal food supply sector in Indonesia.

Introduction

Recently, the halal restaurant business created by Indonesia's young generation has been developing steadily (Amalia & Suhartanto, 2020). This phenomenon proves Indonesia's potential as the largest Muslim country in the world, so it has the potential to advance the development of the halal industry through the food and beverage, cosmetics, pharmaceutical, financial services, tourism, and other sectors (Azam & Abdullah., 2020). This growth is also caused by consumers shifting their focus to halal food as part of their

daily lifestyle (Ghazali & Ahmad, 2022). Specifically, the millennial generation has specific purchasing behavior tendencies: intentions to buy halal food and habits in their purchasing behavior (Dewi, 2023). However, other economic activities were needed including improving the Islamic economic system, increasing the effectiveness of Islamic finance, and promoting Islamic economic studies and research. along with the formation of the Halal Product Guarantee Agency (BPJPH) (Krisna & Yusuf, 2023).

This paradigm is central to enhancing awareness of halal products among Muslims; besides, it is a continuous process impacting the behavioral intentions of clients (Al-Kwifi and Fetais, 2021). This process creates the next level of consumer loyalty to certain halal products (Yudha et al., 2024). Nevertheless, there are contrasting views regarding the effects of the scheme of halal branding on the consumers' loyalty level (Ryandono et al., 2022). As postulated by Hasib and Anwar in their study of the impact of perceived knowledge and beliefs in the consumption behavior of halal products, the information obtained determines the perceptions, knowledge, and beliefs about the halalness of the product. The use of a halal label assures consumers that a certain product has met the standard of the Shari'ah legal framework which in return makes the consumers develop loyalty towards certain brands (Wibawa & Safira 2024). Besides, with the development of the current digital age, consumer loyalty can be created through the information available about the product, the brand, the reputation, and the halal label (Wardhana, 2020).

It has been observed that the application of the halal label gives assurance to the buyer and similarly lifts the confidence level of the buyer while consuming the bought product (Farah Amalia, 2019). Religiosity on the other hand affects consumer preference when it comes to choosing a brand, whereas reputation impacts the trust that consumers have in a brand or product (Zakik et al., 2022). This development indicates the research phase where the Indonesian halal food industry is enjoying growing demand, particularly among Muslim millennial who aims to remain loyal to products compliant with Shariah law and halal principles (Hamizar & Mohamad, 2023). Certification and compliance with Halal standards by manufacturers are seen as the key drivers for consumers to patronize brands and this is anchored on the level of consumers' knowledge and religiosity (Juliansyah et al., 2021).

Previous studies have analyzed various factors that influence consumer loyalty to halal restaurants. For example, research conducted by (Rosanti, 2024), the results of this study indicates that the variables of brand image, brand awareness, and social media have a significant effect on McDonald's consumer loyalty, while halal labeling and brand trust have no significant effect. Similarly, research by (Dikky & Gunawan, 2024) found that halal labeling does not affect customer loyalty, while price perception and brand image have a significant effect on customer loyalty of Mie Gacoan among Generation Z in Cirebon. However, at the same time, halal labels, price perception, and brand image contribute to the loyalty of Gen Z consumers to Mie Gacoan.

Another study by (Mutmainah & Romadhon, 2023) showed that product innovation has a positive and significant effect on customer loyalty, while halal labeling also has a positive and significant effect. In addition, product innovation and halal labels simultaneously contribute to customer loyalty. Research by (Widiyanti, 2019) found that brand image, price, and halal labeling partially have a positive and significant effect on purchase decisions. At the same time, the three variables have a strong and significant influence on purchasing decisions in Sederhana Restaurant, East Jakarta. Research by (Baihaqi, 2024) contributes to the existing literature by analyzing the variables of halal label, brand image, and brand awareness on Starbucks purchase decisions among consumers in South Tangerang. The results showed that halal label, brand image, and brand awareness partially had a significant effect on Starbucks' purchasing decisions, and the three variables also had a significant effect simultaneously.

These studies tend to focus on analyzing general variables that are used to measure consumers

repurchase interest in a restaurant's products. In line with this, this study attempts to measure religiosity as a mediating variable between halal labeling and brand image on consumer loyalty as a new contribution that is still rarely researched to increase consumer awareness of halal developments in Indonesia, especially in the halal restaurant industry, and to encourage the application of religiosity values in everyday life for Muslim consumers. Religiosity was chosen as a mediating variable, considering it could affect consumers' attitudes in choosing halal products indifferent to the decision of being loyal to certain products Highly religious consumers are likely to consider halal as one of the criteria in purchasing, that is not only based on consumptive preferences but also reflects the religious values for life after death and performing Islamic responsibilities (Assyarofi & Wulandari 2023). For most Muslim consumers, this constitutes a means of worship that makes shopping have deeper value in their lives. Religious people are believed to have more trust in the converted brands or products so that consumers could gain higher satisfaction after post-purchases (Febriyanti et al., 2022).

This research also aims to support the success of the culinary business of halal restaurants by providing consumers with information about a brand and its compliance with halal standards and regulations in Indonesia. To achieve these objectives, variables will be measured using Structural Equation Modeling Partial Least Square (SEM PLS) analysis to verify the relationship between brand image, halal labeling, and religiosity on consumer loyalty in choosing a halal restaurant (Dewi, 2023). Thus, setting research objectives to provide a deeper understanding of consumer halal knowledge related to consumption patterns and religious values adopted by the Muslim community in the selection of food and beverages in halal restaurants. Systematically, this paper will present the background, relevant literature review, applied methodology, and research findings. Finally, the contribution, practical implications, and potential limitations of the research are discussed.

Literature Review
Brand Image

Brand image refers to the perception that people have towards a brand (Mirzai et al., 2016). Within the framework of this concept, the American Marketing Association (AMA) defines brand image as "The perception of the brand in people's minds." In other words, according to (Butt et al., 2023) brand image reflects how people perceive the brand, including their thoughts, feelings, and expectations. These perceptions can be formed through consumers' direct experience with the brand, interactions with marketing campaigns, and associations with certain values or characteristics associated with the brand (Handriana et al., 2020). A study by (Su & Reynolds, 2017) asserts that at a conceptual level, brand image can be considered as a mental construct that represents the complexity of the relationship between brands and consumers. As a reflection of individual thoughts, feelings, and expectations, brand image creates a foundation for consumer decisions, influences customer loyalty, and substantially affects brand performance in the market (Loestefani et al., 2022).

Religiosity

Hypothesized that religiosity, a key factor in consumer behavior particularly regarding halal purchase intention is significantly correlated with consumers' adherence to religious teachings and their attempts at translating those beliefs into practice (Ghifara et al., 2022). Religiosity is a compound construct that cuts across belief, religious practice, religious knowledge, religious experience, and the influence of these constructs on daily operations (Wijayanti et al., 2021). Customers because of their religious beliefs give much attention to the knowledge of halal products since they regard it as religious injunctions and

knowledge (Mohezar & Zainuddin 2016; Briliana & Mursito 2017). In this religiosity concept, knowledge of religious teachings establishes the understanding of value and perceptions that help in decision making related to the choice of products, especially those that are labelled on halalness (Alfarajat, 2022). Other forms of religiosity that are tightly connected with the consumer preferences for the halal products include the actual engagement in the worship practice, in religious rites like prayers (Mumuni & Kamarulzaman 2018; Wilkins & Pérez 2019). Thus, according to (Nurhayati & Hendar 2020), a good understanding of a relationship between religion and consumer behavior can offer insights in a market context of halal products.

Halal label

Halal labels play a very important role in influencing consumer loyalty to products. It serves not only as an indicator of compliance with Islamic law, but also as a symbol of trust and safety for Muslim consumers (Muflih & Juliana., 2021; Juliana & Saripudin., 2022; Vitadiar., 2023). The presence of the halal label gives consumers a sense of security, as it indicates that the product they are consuming has been verified by an authorized institution (Sayogo., 2018; Hasan, 2019; Hermawan., 2020). In addition, the halal label serves as an effective marketing tool that can expand market reach to non-Muslim consumers who are looking for clean, safe and ethical products (Wibowo & Ting., 2021; Karimah & Darwanto., 2021; Septiarini & Herianingrum., 2023). As such, the halal label is important not only from a religious perspective but also in the context of safety, hygiene, and business ethics (Muflih & Juliana., 2021; Izza & Akbar., 2023; Septiarini & Herianingrum., 2023).

In Indonesia, to obtain a halal certificate, a product or restaurant must meet several principles set by the halal certification body (Ratnasari & Prasetyo., 2018; Hosen & Lathifah., 2020; Latiff., 2020). All raw materials must come from halal sources, including meat slaughtered according to the rules of Islamic law, and must be free of haram elements such as alcohol (Ismanto & Rofiq, 2022). The production process must prevent contamination from haram materials, both during storage and distribution, and include cleaning of equipment and production facilities to prevent cross-contamination (Putri at al., 2022; Supian., 2018). Information on ingredients and production processes must be presented in a transparent and accessible manner to consumers to avoid confusion or misunderstanding (Foster & Grafenauer., 2020; Futtrup at al., 2021; DeMasi & Langerman., 2022). These products also require an audited & a sucurity approved of their certificates issued by an authorized Islamic institution to ensure that the product is lawfully halal (Hudaefi, Jaswir., 2019; Desika & Ulinnuha, 2023; Warnis at al., 2024).

However, manufacturers can do all of this by applying for halal certification from institutions that have authority in Indonesia to issue halal certification, such as the Indonesian Ulema Council (MUI) which has been responsible for setting up halal standards since 1989 (Hudaefi & Jaswir., 2019; Wardhani & Dugis., 2024; Rachmiatie at al., 2024). The BPJPH (Agency That Guarantee Halal Product Obligations) that is under the Ministry of Religious Affairs has been cooperates with MUI in accept and review halal certification applications, (Yusuf at al., 2022; Hasan & Abd Latif., 2024). Halal Testing Organization (LPH) is responsible for conducting halal tests on products before they are submitted to the MUI for a halal fatwa (Ab Latiff & Armia., 2022; Sani., 2023; Faiqoh & Fatwa 2024). Overall, consumer loyalty to halal products is influenced by religious values, risk perception, level of trust in halal certification, and the role of the halal label as a guarantee of product halalness. Research by (Hasib & Anwar, 2020) shows that the halal label has a significant effect on consumer loyalty; the more information conveyed by the halal label, the higher the level of consumer loyalty to the product.

Consumer Loyalty

According to (Park & Kwon, 2017), consumer loyalty are also the behavior of consumers who use a product or service and showing consistent by selecting, buying and using particular products from any brand or companies. Consumer loyalty is a type of consumer behavior resulting from satisfaction, perceptions about the quality of a product, brand image, buying experience until other influences in an array of research constructs that influence preferences and consumer decisions (Huang et al., 2019).

Moreover, (Antwi & Jiang, 2022) argue that customer loyalty signifies attitudes or actions of steadfastness, in choosing, purchasing, and utilizing a brand or corporation's goods or services over time. This form of loyalty is evident in actions like making repeated purchases recommending products to others and resisting tactics, from rivals (Nyarko & Asima, 2016). The findings indicate that customers who experience satisfaction throughout the buying process are exhibit loyalty through repeat purchases and word-of-mouth recommendations. Furthermore, the positive reputation of a brand significantly influences consumers in sticking with a product choice, in a competitive market setting. Businesses are encouraged to prioritize enhancing the quality of their products and building a brand reputation to retain and grow customer loyalty (Mendo et al., 2023).

Gen Z

This generation is receptive to new ideas that are being extended by other generations and are comfortable with people of other generations. Fourth, they are said to be 'realists' being more practical and analytical in their decision making than the generation that preceded them. The current generation of learners, generation Z, derives pleasure from making their own decisions when it comes to learning and searching for information and is privileged to understand the aspects of future financial security. Gen Z are keen on doing a set of creative activities daily and this happens with participation in communities and social networks. Moreover, Generation Z is a technology-oriented generation, born in the age of the internet and social networks to demonstrate the inclination to spend more time using a mobile phone and social networks (Yudha et al., 2024). A case study done by (Polas & Tabash., 2022) on Gen Z's purchase intention towards halal restaurants in Bangladesh also suggests that the findings provide empirical evidence that customer satisfaction fully mediates the relationship between physical environment toward perceived price and service quality toward return visit; it has a positive and significant effect (Santoso & Kusuma, 2023).

Methodology

This research applies the Partial Least Square (PLS) analysis method, considering that the bootstrapping technique could reduce the influence of normality assumptions on PLS results. The application of the bootstrapping technique allows the use of PLS without requiring a minimum sample size (Kock, 2018; Kock & Hadaya, 2018). Therefore, the data are processed through structural equation modeling (SEM) with a multivariate analysis approach that is capable of simultaneously analyzing differences and relationships between variables in the context of variation-based structural equation modeling (Williams, 2023). This method supports sample sizes ranging from 30 to 100, in line with the recommendations of (Juliana et al., 2023).

Data analysis was conducted using Smart PLS software version 3.29. Data collection was conducted through the distribution of online questionnaires to obtain responses from the respondents. The sample was determined using the purposive sampling method with the criteria of males and females between the ages of 16 and 40 years old, Muslim, and experienced in purchasing at least one item from the menu of halal restaurants. The total number of millennial generation respondents in this study was 148 people from

different provinces in Indonesia, with four variables: three exogenous (brand image, halal label, and religiosity) and one endogenous (consumer loyalty). Each variable is measured by specific indicators using a 6-option Likert scale questionnaire (1 = strongly disagree to 6 = strongly agree). The main objective of this study is to evaluate the impact of brand image, halal knowledge, and religion on consumer loyalty in Indonesian halal restaurants, with religiosity as a mediator.
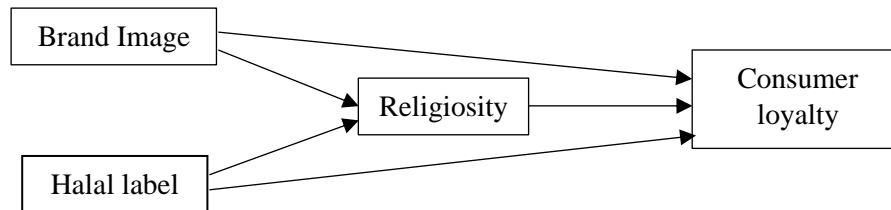
Figure 1. Conceptual framework

Source: Author (2024)

Based on the above framework, the hypotheses to be tested are :

Brand image and consumer loyalty

In a study conducted by (Wardi & Abror., 2022) identifying the brand image of restaurants that comply with halal standards also shows the impact of religiosity on consumers' tendency to repurchase a product. This aligns with the findings of (Pappu & Quester, 2016) this refers to consumer perceptions of a brand in reflecting consumer loyalty and the tendency to continue to choose and use products or services from a particular brand. This view is further supported by (Hulu & Hapsari, 2018) consumers who can achieve positive harmony between perceptions of a good brand image tend to have loyalty to a brand. This is obtained because consumers have accepted the values of quality, reliability, positive image of a halal service or product (Loestefani et al., 2022). Such loyalty is often rooted in trust, satisfaction, and identification of halal brand values reflected through positive and consistent perceptions (Qosim et al., 2023).

The results of research conducted by (Ali Xiaoling & Ali, 2018) stated the same thing about this statement, namely "consumer perceptions of brand quality have a significant and positive influence on halal brand image, halal brand satisfaction, halal brand trust, halal brand loyalty, and purchase intentions". This opinion is also supported by the findings that have been carried out by (Susanto et al, 2022) the results of their research show that brand loyalty and brand image simultaneously affect customer satisfaction with PT Telekomunikasi Plaza Indonesia. Brand image transformation significantly impacts customer satisfaction for PT Telekomunikasi Plaza. Meanwhile, the brand loyalty variable shows a positive but insignificant impact on customer satisfaction for PT Telekomunikasi Plaza. Thus, it can be seen that there is a cause-and-effect relationship between brand loyalty and brand image with the level of customer satisfaction with PT Telekomunikasi Plaza Indonesia. In other words, this study confirms there was a cause-and-effect relationship between brand loyalty and brand image.

The influence of a good brand image in determining consumer loyalty to a halal product. So, the proposed hypothesis can be formulated as follows:

H1: Brand image has a positive impact on consumer loyalty

Brand image and religiosity

A solid and positive brand picture plays a vital part in forming consumers' religiosity, which in turn impacts their loyalty to a specific halal item (Silalahi & Fahham., 2023; Yousef., 2018). When customers recognize a brand picture that adjusts to their devout values, they tend to feel more associated and have a more prominent belief in the item (MacInnis & Folkes., 2017; Pearson., 2016). A brand picture that reflects a commitment to halal and quality will increment consumers' certainty in choosing an item, making their buy not as if it were an exchange but also a representation of their personality and values (Bukhari., 2018). This perspective is supported by (Al-Kwifi & Ahmed., 2019) research aimed at exploring how Muslim consumers judge products from a religious perspective. The study found significant results in brain activity in the ventromedial prefrontal cortex when presented with halal images or halal brands. Similar results were seen when the halal images included raw and cooked meat. The variation in results is likely due to the high emotional sensitivity of Muslim consumers to the use of products associated with religious values.

In expansion, an enhanced brand picture that's steady with devout standards can lead to higher levels of devotion, where shoppers do not as it were make buys, but moreover prescribe the item to others (Park & Eisingerich., 2016; Usunier & Stolz., 2016). This devotion is based on the conviction that the halal items they select not as it were meet their consumption needs, but as part of the practice of religious values and moral necessities (Rosenblum., 2021). Hence, companies that can construct a strong brand picture with religious values have an opportunity to extend buyer devotion and make a commonly useful long-term relationship between the brand and the consumer (Sarkar & Sarkar., 2016; Joshi., & Garg., 2022).

Based on the statement above, the hypothesis proposed is :

H2: Brand image has a positive effect on religiosity

Halal label and consumer loyalty

Halal labeling has a significant role in safeguarding the consumer from uncertain whispers about the utilization of the merchandise (Prayuti., 2020). Besides, the application of halal labels also provides a positive impact on the aspects of effectiveness in transforming and improving the product image and perceptions directly and indirectly at various points in time (Rahman et al., 2022). With the knowledge and awareness of the position of the halal label, the level of consumer loyalty can improve, this is so since the halal label on a product informs the consumers that the product is safe to consume since it has undergone a production process involving ingredients which are in can be described as harmless and safe to use. According to the study, perceived religiosity is the highest determinant of halal consciousness in Indonesia accompanied by perceived health concern and certification logos while perceived exposure is the least determinant (Kurniawati & Savitri, 2020). This is a fact that implies that a consumer with a high halal sensitive level is more sensitive to the halal part of a certain product (Kholis & Pramono, 2017) This hypothesis focuses that a halo label may exert more influence on an individual preference for the halal product (Kurniawati & Savitri, 2020).

Findings above show that halal labeling increases consumer satisfaction, which contributes to brand loyalty (Madun & Abdullah., 2022). Consumers who are aware of the halal status of products feel more connected to the brand and are more likely to remain loyal, thanks to the sense of security that halal-labeled products that comply with Sharia principles provide (Aslan., 2023). Research (Quoquab & Mohammad, 2020) revealed that halal logos directly and indirectly influence consumer loyalty toward the fast-food industry in Malaysia. These results indicate that halal logos help service providers create positive

perceptions of their reputation and build consumer trust leading to consumer loyalty (Maemunah & Syakbani, 2021). Therefore, the proposed hypothesis is:

H3: Halal label has a positive impact on consumer loyalty

Halal Label and Religiosity

Halal labels influence consumers' religiosity and help create brand loyalty toward a specific halal product (Suhartanto et al., 2020). As discussed in the study, firstly when consumers are aware that a product bears a halal label, they proceed to think about the halal qualities of the product but also tend to relate to religious beliefs (Khan & Azam., 2022). Religious beliefs guarantee that the label halal behaves in a certain way that is beneficial for the common population by following religious laws and regulations effective in creating an added sense of comfort and safety when making a consumption decision (Willman-Iivarinen., 2017). Therefore, it can make halal labels improve the feeling of religious orientation and authenticity, which in turn enhances brand loyalty to the products that adhere to the halal criteria (Jia & Chaozhi, 2020).

As also stated in his (Rizkitysha & Hananto., 2022) research states that halal labels influence the level of religiosity among people in terms of their response to such goods and services in their society and communities. This also enhances consumers' social relationships since labeled halal products are said to be more trusted and respected in the Muslim community (Khan & Mehboob., 2017; Rahman et al., 2022). Consumers also demonstrate higher levels of loyalty when they think that their consumption decisions align with their religious beliefs and societal expectations (Sarofim et al., 2020), not only do they purchase the product but they also spread the word to other people about this product.

A study by (Mumuni et al., 2018) stated that using the context of halal food searches in the United States and data from a survey of American consumers, the results indicate that motivation to act following religious values serves as a strong indicator of consumers' willingness to engage in such behavior. In addition, the level of religiosity, attitude toward the behavior, and religious identity contribute significantly and positively to the level of motivation. Knowledge about religion and the sense of religiosity in people also proved to be significant determinants of consumer attitudes. This model provides a more comprehensive insight into the relationship between religious identity and consumer behavior, particularly in the context of consumption influenced by religious values. Based on this description, this research also attempts to propose a hypothesis:

H4: Halal labels have a positive effect on religiosity

Halal Label and Brand Image on Consumer Loyalty Through Religiosity

In this study, religiosity is included as a moderator which is in line with the study conducted by (Suhartanto & Faturohman., 2020; Khan & Bhutto., 2021) that the level of consumer religiosity has a positive relationship with consumer loyalty to halal food products. This study also confirms the hypothesis that religiosity may mediate the impact of the quality of halal products on consumers' loyalty hence supporting the integration of the loyalty model by including religiosity. Research (Kusumastuti & Kumalasari, 2017) sported that religiosity plays the role of mediator in the decision to buy Muslim fashion products. This research establishes that religion could influence consumption decisions by incorporating religiosity in the evaluation factors including brand image, product quality, and purchasing. From the explanation above, the author proposes the following hypothesis:

H5: Religiosity mediates the influence of halal labeling and brand image on consumer loyalty

Results and Discussion

Results

This study used primary data as samples. The population of this study was halal restaurant consumers from the Indonesian Millennial generation. The respondents involved in this study are a population that tends to be active as consumers of halal restaurants, both direct and indirect purchases, and are suitable for theory testing and development. They also represent a growing market segment in the context of this research and are therefore considered as samples for this study.

Data collection was conducted through distributing questionnaires online. To determine the sample, a purposive sampling method was used with criteria related to females and males between 11 and 40 years old, Indonesian Muslims, and having experience purchasing at least one item from the restaurant's menu customers visited the halal restaurant. The total number of millennial genetic respondents in this study amounted to 148 people, coming from various provinces in Indonesia. Data processing is carried out using SEM with multivariate analysis because it is considered capable of analyzing differences or relationships between variables simultaneously. The following are the demographics of respondents who filled out this research questionnaire:

Table 1. Descriptive Statistics of Respondents

Respondent Demographics	Number (N)	Percentage (%)
Gender		
Male	32	22%
Female	116	78%
Age		
11-15 Years	0	0%
16-20 Years	23	16%
21-25 Years	109	74%
26-30 Years	10	10%
31-35 Years	2	1%
36-40 Years	4	3%
Last Education		
Junior High School / Equivalent	0	0%
High School / Equivalent	39	26%
S1	98	66%
S2	6	4%
S3	0	0%
More	5	3%
Jobs		
Student	118	88%
Teacher	6	4%
Employee	6	4%
IRT	5	3%
More	13	9%
Pocket money / month		
< Rp.500,000	32	22%
IDR 500,000 - 1,000,000	70	47%
IDR 1,000,000 - 3,000,000	28	19%
Rp. 3,000,000 - 5,000,000	11	7%
>Rp. 5,000,000	7	5%

Location (island category)		
Sumatra	73	49%
Java	69	47%
Sulawesi	2	1%
Kalimantan	2	1%
Papua	1	1%
NTB (Lombok Island)	1	1%

Source: Questionnaire

Furthermore, in the process of building a quantitative research model structure, based on previous research findings, several popular variables can measure consumer loyalty in the halal sector, and supported by relevant literature, exogenous latent variables are obtained in the form of Brand Image (H1), Halal Label (H2), and Religiosity (H3). Meanwhile, the endogenous latent variable is Consumer Loyalty ($\eta 1$). Indicators that represent these variables are described in the following table.

The assessment of convergent validity in partial least squares (PLS) using reflective indicators was performed based on the factor loading of the construct measurement indicator (Abdillah and Jogiyanto, 2015). First, a convergent validity test was considered to meet the criterion if the value of the factor loading exceeded >0.7. However, a value of 0.5 is acceptable if there are several other factors in the same structure, as explained (Ab Rashid & Bojei, 2020; Hussain & Saleem, 2016; Varinli & Avcılar, 2016). As shown in Figure 2, the output of the path model along with the coefficient values can be found in Smart PLS 3.29. All factor loading values of each indicator were recorded to be greater than >0.7, including 20 indicator variables, and were tested with sufficient values.
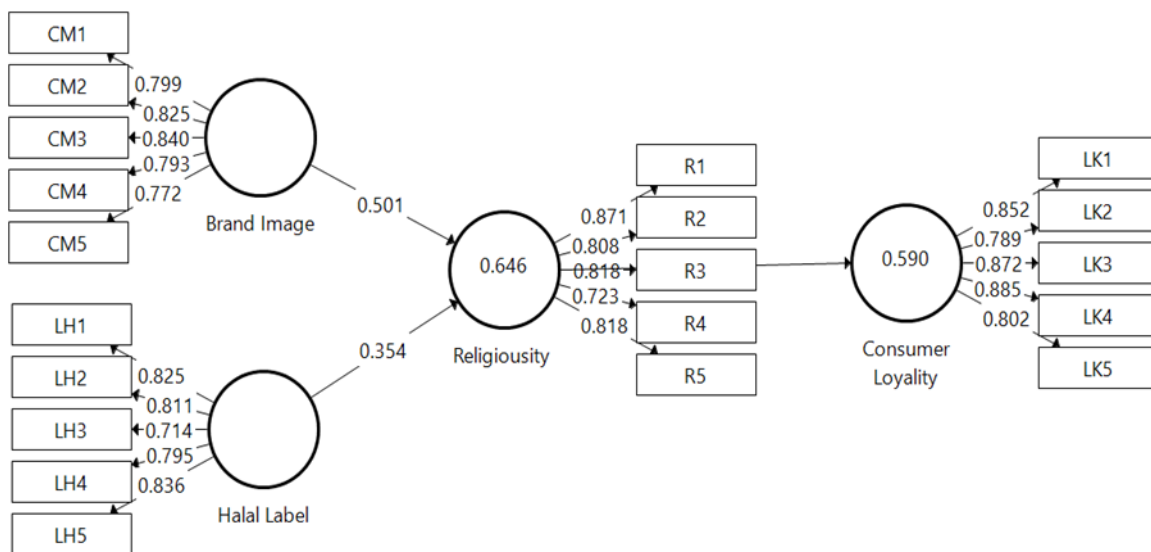

Figure 2. Convergent Validity Test
Source: SMARTPLS output (2024)

Then, to assess the reliability of the instrument, this was done by examining composite reliability (CR) and Cronbach's alpha (CA). In the confirmatory factor analysis (CFA) method, each latent variable is

considered reliable if the CR and CA values are > 0.70. Meanwhile, convergent validity was assessed by the average variance extracted (AVE), which was considered sufficient if the value was greater than >0.50.

Table 2. Discriminant Test of Composite Validity and Reliability

Variables	Code	Loadings	Cronbach's Alpha	CR	AVE
Brand Image	CM1	0.799	0.870	0.903	0.650
	CM2	0.825			
	CM3	0.840			
	CM4	0.793			
	CM5	0.772			
Halal Label	LH1	0.825	0.860	0.897	0.636
	LH2	0.811			
	LH3	0.714			
	LH4	0.795			
	LH5	0.836			
Religiosity	R1	0.871	0.869	0.904	0.655
	R2	0.808			
	R3	0.818			
	R4	0.723			
	R5	0.818			
Consumer Loyalty	LK1	0.852	0.902	0.923	0.707
	LK2	0.789			
	LK3	0.872			
	LK4	0.885			
	LK5	0.802			

Source: SMARTPLS output (2024)

The table above also shows that all indicators in this study have factor loading values above 0.70, indicating that each related indicator can accurately represent the concept in question. Finally, the table shows that all composite reliability (CR) and Cronbach's alpha (CA) values of each latent variable in this study exceeded >0.50. The average variance extracted (AVE) value of each latent variable in this study also exceeded >0.50. The proportion of values exceeding this limit suggests that the instrument developed from the indicator variable can consistently and accurately reflect the construct.

Reseach by (Varinli & Avcılar, 2016) according to their research findings to assess internal reliability, it is necessary to use the AVE square root level for each construct, which should be greater than the correlation between constructs. The table above has shown the results of internal reliability. All reliability values are above the recommended level, which is 0.7 with a range between 0.8755 and 0.9941, indicating adequate internal reliability (Kurniawati & Savitri, 2020). Furthermore, to assess discriminant validity using the average variance extracted (AVE) (Khan & Tan, 2021), the value must be greater than the variance contained between a particular construct and other constructs in the model (i.e. the squared correlation between two constructs) (Bashir & Abdul Latiff, 2019).

The next step is to evaluate the internal model of this study to display the properties of the causal relationships between the latent variables, following the concept described by (Ab Rashid & Bojei, 2020) . When testing the internal model, two parameters need to be tested: R-Square to determine the percentage contribution of the influence or change from the dependent variable (endogenous) to the independent variable (exogenous) and the prediction Guess the scale level. or the quality of the entire model, according to (Lin et al., 2020).

Table 3. Discriminant Test of Composite Validity and Reliability

	R Square	R Square Adjusted
Consumer Loyalty	0.590	0.587
Religiosity	0.590	0.641

Source: SMARTPLS output (2024)

Table 4 shows the R-Square test results of 0.590 and 0.590. In this analysis, it can be concluded that exogenous variables contribute significantly to the influence of endogenous variables, up to 59%. The remaining proportion, 41%, was influenced by other variables that were not tested. In addition, an R-squared value greater than 0.67 shows a strong influence between the variables in the model. The R-squared value between 0.33 and 0.67 was considered significant. However, if the R-squared value is greater than 0.19 but less than 0.33 is considered small (Izza & Akbar., 2023).

Then, conduct analysis using the bootstrapping method to test the path coefficient and p-value. The path coefficient is a value that explains the direction of the relationship between variables according to the research hypothesis, tested using T statistics and p-values. According to the path coefficient criterion, the hypothesis can be accepted if the T statistic > 1.96. on the other hand, the p-values were considered significant if < 0.05, as explained by (Hanafiah & Hamdan, 2021). The results of the path coefficient test are then presented in the attached table.

Table 4. Discriminant Test of Composite Validity and Reliability

Model	Original Sample	T Statistics	P Values	Decision
Brand Image -> Religiosity	0.501	5.118	0.000	Significant
Halal Label -> Religiosity	0.345	3.939	0.000	Significant
Religiosity -> Consumer Loyalty	0.768	10.586	0.000	Significant

According to (Sarstedt et al., (2020) when there is a positive path coefficient in the original sample (O), it reflects the one-way effect of one variable on another variable. In other words, when the value of the exogenous variable increases, the response is that the value of the endogenous variable increases (Ngah & Mhd Ruslan, 2020). On the contrary, if the value of the path coefficient is negative, it shows the influence of the variable in the opposite direction. In other words, an increase in the value of exogenous variables will lead to a decrease in the value of endogenous variables. Furthermore, the results of testing the relationship between the constructs showed that all hypotheses had positive relationship directions and showed significant effects.

Discussion
The Impact of Brand Image on Consumer Loyalty

The results of testing the first hypothesis show that brand image has a significant influence on customer loyalty. Based on the analysis, the original sample value obtained is of 0.501, with T-statistics of 5.118, and p-values of 0.000. This indicates that brand image has a positive influence on consumer loyalty, and the hypothesis can be accepted as the T-statistic > 1.96 and the p-values < 0.05, as explained by

(Hanafiah & Hamdan, 2021), that shows consumers tend to be more loyal to brands with a positive image. These results are also consistent with the research by (Ma'azzah & Prasetyo, 2023), which found that brand image has a significant influence on consumer loyalty in the purchase of Safi skincare products. Their study indicates that a positive brand image is well-received by customers and strengthens loyalty toward products that integrate Islamic values in halal products. This shows the importance of building and maintaining a positive brand image to increase consumer loyalty. For companies, this means that efforts to strengthen brand image through effective marketing strategies, including emphasizing Islamic values in halal products, can expand market share among the Muslim community in Indonesia. Given that the majority of Indonesia's population is Muslim, this strategy can be an important factor in gaining customer loyalty (Wardhana et al., n.d.).

The Impact of Brand Image on Religiosity

The second hypothesis of this study analyzes the impact of brand image on consumers' religiosity by considering religious values as the basis for consumption decisions. The results of the analysis show a convergent validity test value of 0.501, indicating a significant positive impact. Convergent validity (CV) is considered to be met if the factor loading value exceeds the threshold of > 0.7. A positive brand image may reflect religious values and norms, which may enhance an individual's religious identity and affect their interaction behavior with the brand (Al Abdulrazak & Gbadamosi., 2017). These findings are further proven by (Espinosa et al., (2018) assertion that a good brand image can help to establish an emotional connection with the consumers as a way of enhancing their loyalty. When used in the context of religiosity, it implies that brands that manage to create an image that is in harmony with religious values are likely to gain consumer interest and endorsement of a product. Thus, the influence of brand image on religiosity was one and efficient marketing strategy for the segments that are highly sensitive to religious values (Juliana et al., 2023).

The Impact of Halal Labeling on Customer Loyalty

The third hypothesis is that data analysis yields an original sample value of 0.345 (positive), implying that the halal label variable has a positive impact on consumer loyalty. The t-statistic value was 3.939 which was less than 1.96; the p-value was 0.000, which is larger than 0.05. Thus, hypothesis H2 in this study is accepted, indicating that the halal label variable affected on consumer loyalty. This conclusion is consistent with (Alfiani & Priantina, 2024) which found that halal labels affected consumer purchase interest in Bogor halal restaurants. With pressure to increase understanding and presence of halal products, as well as strengthening the emphasis on halal labels can function as a positive differentiating factor (Wijayanti, n.d.). However, the study (Fadholi & Mufid, 2020) reveals that although millennial consumers in Indonesia have a positive awareness of halal labels, their intention to repurchase halal-labeled food products is still not optimal. Millennials show a good understanding of the benefits and the production and processing of halal food, and they perceive halal food as clean, safe, and hygienically produced. Thus, while there is high interest in halal food products, other factors may affect long-term consumer loyalty.

The impact of halal labeling on religiosity

The fourth analysis in this research aims to explore the influence of the halal label on consumer religiosity; by referring to the values and knowledge related to the halal label and is indicated positively with a convergent validity (CV) value of 0.354 which is more than > 0.7 and is considered satisfactory. These results find that individuals who follow religious norms can be influenced by their perceptions of products that are labeled halal. The halal label not only provides a guarantee about the halalness of the product but also reflects an individual's commitment to their religious values (Karimah & Darwanto., 2021).

This finding is in line with a study conducted by (Pramunira., 2023) who states that consumers who choose halal products tend to feel a stronger connection with their faith, which may result in higher levels of religiosity. Through the positive experience of consuming halal products, individuals can strengthen their religious practice and strengthen their religious identity (Pramintasari & Fatmawati., 2017). Therefore, this study is expected to provide a more comprehensive understanding of the relationship between halal labels

and religiosity and its meaning in the context of consumer behavior in the marketplace related to spiritual values.

Religiosity As an Intervening Variable for Brand Image and Halal Label on Customer Loyalty

The last hypothesis in this research states that religiosity functions as a mediator between exogenous and endogenous variables. This hypothesis indicates that religiosity has a significant influence on Muslim consumer loyalty to halal restaurants in Indonesia. The results of the analysis show that all independent variables have a positive influence on the dependent variable (consumer loyalty), with statistical values (p-value < 0.05) and positive original sample estimates. This finding is in line with previous research (Sofiati & Hermawan., 2018) which also examined the influence on consumer loyalty, although the focus of the research was different. The results of hypothesis testing in this context confirm the importance of religiosity in increasing consumer loyalty in sectors related to halal products.

Furthermore, this hypothesis contains the influence of religiosity on customer loyalty which states that there is a significant and positive influence between the two. then testing again at the specific indirect effect stage showed the original sample result was 0.768, and the t-statistic was 10,586, which means >1.96. The results of the analysis carried out at this stage show that religiosity completely mediates the brand image and halal label variables on customer loyalty, with a total direct influence of 9.057 and an indirect influence value of 10.586. Therefore, it can be concluded that overall, brand image and halal labels alone are not enough to predict customer loyalty towards halal restaurant products in Indonesia. Religiosity mediates the relationship between brand image and halal labels on consumer loyalty. This is because more religious consumers tend to choose products following their beliefs (Pratiwi et al., 2022). This attitude makes them more likely to make repeat purchases and recommend halal products to others. As a result, it could increases consumer loyalty and overall satisfaction (Qosim et al., 2023).

Conclusion

Based on the evaluation of model fit, this study proposes a new loyalty model that integrates the religiosity-mediation model (brand image and halal label variables on consumer loyalty) in halal restaurants in Indonesia. This result is important because a previous study (Ali et al., 2018) tested these models separately to explain product and service loyalty. From a theoretical perspective, this study confirms the existence of two models of loyalty to halal food. However, when these models are integrated into one, they provide a more comprehensive explanation of how loyalty to halal food is formed. This finding is highly relevant as it expands the theoretical framework of customer loyalty to halal food. Therefore, this finding shows that the integration of these models can provide deeper insights into the factors that influence consumer loyalty to halal food.

Taken from the findings of the study above, there are several theoretical implications for Indonesian halal restaurant businesses to improve and sustain consumers' loyalty from the millennial generation by including religiosity as the mediator between brand image and halal labeling. Such considerations touch on the need to come up with marketing techniques that reflect relevant religious values by considering the nature of the millennial generation. Furthermore, the quality of the products and reduction of misconceptions regarding the concept of halalness among consumers as assisted by the halal labels must be enhanced. It is also incumbent upon companies to create innovations concerning experiences that are fitting of the millennial generation, while at the same time paying attention to religious factors that are likely to enhance emotional bonds. Last but not least, there is the need to launch awareness campaigns where issues connected with millennials would get to learn about the importance of Halal products besides understanding the religious significance embedded with the label.

These findings are expected to provide deeper insights for stakeholders, especially halal food providers. Overall, the understanding of millennials' consumer behavior, particularly in the context of halal consumption and restaurants, is supported by several variables. The findings indicate that many Muslim consumers in Indonesia are increasingly conscious of their consumption, not only in terms of its halalness,

but also the ingredients and production process. This may contribute to the development of the halal food and restaurant industry in Indonesia.

Author's Contribution

All authors made substantial contributions to the preparation of this final manuscript. Chintya was responsible for data collection, manuscript preparation, image preparation, and development of key conceptual ideas. Indra provided excellent advice and guidance and made important revisions to the paper. All authors discussed the study results and contributed to the final manuscript. Aam Slamet Rusydiana third author as proofreader.

Declaration of Competing Interest

The investigator certifies that there are no affiliations with commercial or financial entities that could lead to potential conflicts of interest in the conduct of this study.

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