

## DEVELOPMENT OF SHARIA HOSPITALS AS A SOURCE OF NEW ECONOMIC GROWTH

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### ABSTRACT

The development of Sharia hospitals represents a unique integration of Islamic values into healthcare services, fostering new avenues for economic growth. This study has three key objectives: (1) examining factors contributing to the establishment of Sharia hospitals, (2) analyzing the essential elements of Sharia hospital development using the Business Model Canvas (BMC) to ensure sustainability; and (3) assessing Sharia hospitals' potential to drive economic growth. Through a mixed-methods approach, quantitative data were collected from 619 patients and 149 respondents, while qualitative insights were gathered through focus group discussions and in-depth interviews with stakeholders including hospital managers and policymakers. Results indicate that Sharia hospitals report higher levels of patient satisfaction and loyalty compared to non-sharia hospitals, with significant emphasis on service quality, and experiential marketing. The integration of Islamic financial instruments such as Zakat, Infak, Sedekah, and Wakaf (ZISWAF) also enhances financial accessibility for underserved populations, promoting equitable healthcare. Indonesia also has the opportunity to open up Muslim-friendly health tourism destinations, attracting patients from other Muslim-majority countries. The growth of Sharia hospitals also contributes to the expansion of the halal ecosystem in Indonesia. This is not only beneficial for the health sector but also drives economic growth.

*Keywords: Sharia hospital, New economic growth, Business model canvas, Islamic finance.*

**JEL classifications: I11; I15; I18.**

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## **I. INTRODUCTION**

Islamic finance has experienced substantial growth globally, with a market valuation surpassing USD 2.8 trillion as of 2023. This expansion is driven by its adherence to Sharia principles, emphasizing ethical, inclusive, and interest-free financial products (Global Islamic Finance Report, 2023). Indonesia, as a leading contributor to Islamic finance, has integrated these principles into various sectors, including healthcare, to align with its majority Muslim population's values and needs.

One notable innovation is the development of Sharia hospitals, designed to provide healthcare services aligned with Islamic ethical and legal standards. These hospitals aim to meet both the medical and spiritual needs of patients through halal-certified treatments and financial management systems free from *riba* (interest). This model responds to growing demand for high-quality, ethically grounded healthcare that is accessible to all segments of society.

Sharia hospitals are not only a response to ethical healthcare demands but also hold the potential to drive economic growth. By incorporating the foundational objectives of *Maqasid Sharia*, these hospitals promote sustainability in healthcare services and contribute to economic models based on Islamic principles. Their integration within the halal ecosystem, including halal medical tourism and Islamic financial services, positions them as key players in local and national economic development. Despite these strengths, challenges such as regulatory limitations, infrastructure constraints, and varying public awareness remain, requiring strategic interventions to fully realize their potential.

This paper explores the role of Sharia hospitals in driving economic growth in Indonesia through three objectives: (1) analyzing key factors like experiential marketing, service quality, customer satisfaction, and customer loyalty; (2) evaluating critical elements for Sharia hospital development using the Business Model Canvas (BMC); and (3) assessing the strengths, potential contributions, and improvement opportunities of Sharia hospitals as new economic growth drivers. In the next section, we provide brief background. Then, section III presents the methodology. Section IV presents and discusses the results. Finally, section V is the conclusion.

## **II. BACKGROUND**

Sharia-compliant healthcare integrates Islamic values into modern health services, offering both ethical and practical solutions to meet the needs of Muslim patients while maintaining inclusivity for individuals of diverse backgrounds. Central to this framework is the concept of *Maqasid al-Sharia*, which provides the foundational principles for Sharia hospitals. These principles—protection of religion (*Hifz al-Din*), life (*Hifz al-Nafs*), intellect (*Hifz al-'Aql*), progeny (*Hifz al-Nasl*), and wealth (*Hifz al-Mal*)—serve as guidelines for policies, practices, and services within these hospitals. By aligning healthcare delivery with these objectives, Sharia hospitals emphasize justice, welfare, and inclusivity, ensuring that services are ethically grounded and universally accessible.

The implementation of Sharia-compliant healthcare is guided by regulatory frameworks such as MUI Fatwa No. 107 of 2016, which defines Sharia hospitals as

institutions offering inpatient, outpatient, and emergency services based on Islamic principles. These principles extend beyond medical care, encompassing halal-certified treatments, ethical financial management free from *riba* (interest), and respect for Islamic ethics in all operations. Research by Maharani et al. (2021) and Maksum et al. (2022) underscores the added value of Sharia standards, enhancing patient trust and satisfaction while fostering a unique value proposition in the competitive healthcare market.

Sharia hospitals also play a pivotal role in economic growth, particularly through their integration with the halal ecosystem. This ecosystem includes sectors such as halal pharmaceuticals, medical devices, and Sharia-compliant insurance, which together create a multiplier effect that drives job creation and economic development. Funding mechanisms like Zakat, Infak, Sedekah, and Wakaf (ZISWAF) further enable Sharia hospitals to serve underserved communities, promoting financial inclusion and social equity (Maharani et al., 2021). Ethical financial instruments such as Sukuk have been instrumental in supporting hospital expansion without reliance on interest-based loans, simultaneously fostering economic growth (Fuadi et al., 2022).

From a management perspective, tools like the Business Model Canvas (BMC) provide a structured framework to analyze and develop Sharia hospitals. The BMC framework focuses on nine key components—customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure—that collectively guide strategic planning and operational efficiency. By leveraging the BMC, Sharia hospitals can identify opportunities, manage risks, and optimize their alignment with Islamic principles, thereby enhancing their role as contributors to sustainable economic development.

Customer satisfaction and loyalty are essential for sustaining the growth of Sharia hospitals. Research highlights the interconnected roles of experiential marketing, service quality, customer satisfaction, and loyalty. Experiential marketing, which emphasizes memorable and engaging customer experiences, directly impacts satisfaction and indirectly fosters loyalty (Indriatiningsih et al., 2023). High service quality is another critical factor, enhancing satisfaction and reinforcing trust in healthcare providers. In the context of Sharia hospitals, these elements are amplified by the integration of Islamic values, creating a competitive advantage that attracts both domestic and international patients.

The universal inclusivity of Sharia hospitals is reflected in their ability to serve diverse populations while maintaining adherence to Islamic principles. By offering patient-centered care that respects cultural and religious needs, Sharia hospitals establish themselves as ethical and trusted providers. Reports from practitioners reveal that these institutions have gained loyalty not only from Muslim patients but also from individuals of other faiths who appreciate the emphasis on non-discriminatory service and holistic care. This inclusive approach strengthens the universal appeal of Sharia hospitals while maintaining their core Islamic identity.

Collectively, these insights demonstrate the multidimensional contributions of Sharia hospitals to healthcare and economic growth. As demand for Sharia-compliant services continues to grow, these institutions are well-positioned to drive inclusive and ethical development, reinforcing Indonesia's strategic role in the global halal economy.

### III. METHODOLOGY

This study employs a mixed-methods approach, combining quantitative and qualitative research. Primary quantitative data were obtained through online surveys targeting patients and hospital management. The study also involved the general public, specifically individuals who had received services from both Sharia-certified hospitals and nationally accredited non-Sharia hospitals. The survey was designed to capture and compare patient experiences, satisfaction, and perceptions of service quality across both hospital types. The results were used to assess strengths and weaknesses in services, identify areas for improvement, and provide recommendations for developing service standards that align with patient needs and preferences.

Data collection was conducted from July 22 to July 31, 2024, for patients and hospitals, and from October 23 to October 29, 2024 for the general public. Data spanned six provinces (Special Region of Jakarta, DI Yogyakarta, South Sumatra, Banten, and Central Java), covering nine hospitals of varying classes: two Class A hospitals (RSUP dr. Soeradji Tirtonegoro Klaten, RSUP Dr. Mohammad Hoesin Palembang), five Class B hospitals (RSI Jakarta Cempaka Putih, RS PKU Muhammadiyah Yogyakarta, RSI Siti Khadijah Palembang, RS YARSI Jakarta, dan RSUD Brigjen Hasan Basry Kandangan), and two Class C hospitals (RS Annisa Tangerang and RSI Yogyakarta PDHI).

Quantitative data were analyzed using descriptive statistics and Chi-square tests to evaluate patient satisfaction, loyalty, and decision-making regarding Sharia hospitals. Structural Equation Modeling using Partial Least Squares (SEM-PLS) was applied to examine relationships between variables, particularly latent variables, and their direct and indirect effects on satisfaction and loyalty.

Qualitative data were gathered through focus group discussions (FGDs) and in-depth interviews. FGDs included management representatives from 5 Sharia hospitals (PKU Muhammadiyah Hospital Yogyakarta, RSI Yogyakarta PDHI, Brigjen Hasan Basry Kandangan Hospital, YARSI Hospital Jakarta, RSI Siti Khadijah Palembang) and 4 nationally accredited non-sharia hospitals (dr. Soeradji Tirtonegoro General Hospital Klaten, Dr. Mohammad Hoesin General Hospital Palembang, Annisa Hospital Tangerang, and RSI Jakarta Cempaka Putih), while interviews were conducted with policymakers such as MUKISI, DSN MUI, and the Indonesian Ministry of Health. The findings from qualitative data were integrated with quantitative insights to construct the Business Model Canvas (BMC) framework for Sharia hospital development. This framework highlights critical elements essential for fostering digitalization, financial inclusion, and sustainability within the Sharia healthcare ecosystem, aligning with the overarching goals of enhancing service quality and addressing patient needs. Triangulation was employed to ensure the reliability and depth of the study's conclusions.

### IV. RESULTS AND ANALYSIS

This study successfully collected data from 619 patients and 149 respondents of the general public through an electronic survey to explore about the knowledge and the need to sharia hospital particularly in Indonesia. Data from patients were collected from seven hospitals, consisting of three Sharia hospitals (PKU Muhammadiyah

Hospital Yogyakarta, RSI Yogyakarta PDHI, and RSI Siti Khadijah Palembang) and four non-Sharia hospitals (Dr. Soeradji Tirtonegoro General Hospital Klaten, Dr. Mohammad Hoesin General Hospital Palembang, Annisa Hospital Tangerang, and RSI Jakarta Cempaka Putih). Tables 1 and 2 below provides sociodemographic profiles of the respondents.

**Table 1.**  
**Sociodemographic Characteristics**

<b>Patients</b>	<b>Mean</b>	<b>SD</b>	<b>Min</b>	<b>Max</b>
Age	45.32	15.41	14	80
Number of Family Members	3.78	1.44	1	10
Total Family Expenditure Per Month (IDR)	4.231.788,70	3.767.507,57	0	50.000.000,00
Expenditure on Food Per Month (IDR)	2.091.682,53	1.858.472,53	0	30.000.000,00
Distance from residence to hospital (KM)	14.29	20.494	1	100
Travel time from residence to hospital (minutes)	56.45	485.344	1	12.000
Duration of using services at the hospital (years)	2.91	4.28	0	34
<b>Society</b>	<b>Mean</b>	<b>SD</b>	<b>Min</b>	<b>Max</b>
Age	38.36	9.51	20	60
Number of Family Members	3.79	1.61	1	8
Total Family Expenditure Per Month (IDR)	12.041.095,8	8.801.549,01	500.000,00	50.000.000,00
Expenditure on Food Per Month (IDR)	200.000,00	100.000.000,00	5.801.027,00	8.981.211,17

The sociodemographic characteristics of patients and general public can be seen from the age, number of family members, total monthly expenditure, monthly food expenditure, monthly transportation expenditure, monthly savings expenditure, distance from residence to hospital, travel time from residence to hospital, and length of time using hospital services.

From the Tables, the sociodemographic characteristics of respondents indicate a diverse representation, minimizing potential bias in assessing patient satisfaction and loyalty. Respondents' age ranges from 14 to 80 years, with a mean age of 44.98 years, and they are predominantly female (71.8%). Educational backgrounds vary, with 43.2% completing high school and 15.6% holding a bachelor's degree or higher. Most respondents are married (78.0%) and either are unemployed or non-working (62.5%). Nearly all respondents (98.5%) have health insurance, primarily through BPJS Kesehatan (95.4%), ensuring financial access to healthcare. Modes of transport and distance to the hospital also vary, with most using private vehicles (50.6%) and traveling an average of 15.83 km. This diversity supports the reliability

of findings, showing no significant sociodemographic bias in evaluating patient satisfaction and loyalty.

**Table 2.**  
**Patients' Sociodemographic Characteristics**

Variable	Sharia hospital Patient		Non sharia hospital Patient		General Public	
	n	%	n	%	n	%
<b>Sex</b>						
Male	98	30.2	75	25.8	37	24.8
Female	226	69.8	216	74.2	112	75.2
<b>Education</b>						
Unschoolled	8	2.5	11	3.8		
Elementary school	24	7.4	29	10.0		
Secondary school	29	9.0	46	15.8	1	0.7
High school	136	42.0	135	46.4	2	1.3
Diploma	37	11.4	25	8.6	7	4.7
Bachelor	66	20.4	37	12.7	76	51.0
Master and Doctor	14	4.3	8	2.7	63	42.3
<b>Occupation</b>						
Manager	5	1.5	3	1.0	36	24.2
Military/ Police	1	0.3	1	0.3	-	-
Professional	24	7.4	20	6.9	67	45.0
Self-employed	44	13.6	27	9.3	11	7.4
Technician and Assistant Professional	5	1.5	4	1.4	4	2.7
Administrative Staff	6	1.9	6	2.1	6	4.0
Service business personnel	14	4.3	13	4.5	-	-
Skilled workforce	4	1.2	6	2.1	1	0.7
Factory workers	5	1.5	15	5.2	-	-
Machine Operators and assemblers	1	0.3	1	0.3	-	-
Manual worker	12	3.7	10	3.4	-	-
Does not work	Do	62.7	185	63.6	24	16.1
<b>Insurance ownership</b>						
Yes	320	98.8	287	98.6	143	96.0
No	4	1.2	4	1.4	6	4.0
<b>Kind of insurance</b>						
Sharia Insurance	1	0.3	1	0.3	-	-
National Health Insurance / BPJS Kesehatan	304	93.8	285	97.6	136	91.3
National Social Security for Employment / BPJS Ketenagakerjaan	11	3.4	15	4.8	29	19.5
Private insurance non-Sharia	1	0.3	2	0.7	18	12.1
Insurance from the company/ office	5	1.5	2	0.7	23	15.5
Other insurance	9	2.8	9	2.8	7	3.0

4.1. Contributing Factors to Sharia Hospital Developments

4.1.1. Impact of Consumer Behavior on Sharia Hospital Development

Consumer behavior plays a critical role in the development and acceptance of Sharia hospitals. The decision to recommend and prioritize Sharia hospitals depends heavily on three factors: the influence of hospitals on healthcare choices, knowledge of Sharia hospitals, and understanding of Islamic hospital concepts.

**Table 3.**  
**Factors Influencing The Purchase Decision of Sharia Hospital**

	Purchase Decision of Sharia Hospital		Odds Ratio	P-value
	Recommending	Not Recommending		
<b>Hospitals Influence</b>				
Not influential	8 (29.6%)	19 (70.4%)	inference	
less influential	12 (42.9%)	16 (57.1%)	1,781	0,31
Quite influential	22 (73,3%)	8 (26,7%)	6,531	0,001*
Influential	60 (93,8%)	4 (6,3%)	35,625	0,000*
<b>Knowledge about Sharia Hospitals</b>				
Have knowledge about Sharia Hospital	39 (83%)	8 (17%)	0,331	0,016*
Never heard about Sharia Hospital	63 (61,8%)	39 (38,2%)		
<b>Understanding the concept of Islamic hospitals</b>				
Not understand at all	14 (40%)	21 (60%)	3,506	0,000*
Not quite understand	55 (71,4%)	22 (28,6%)		
Understand	29 (87,9%)	4 (12,1%)		
Completely understand	4 (100%)	0		

\*) significant

**Table 3** highlights that 93.8% of respondents who perceive hospitals as influential recommend Sharia hospitals, compared to only 29.6% in the “not influential” group, with an odds ratio of 35.625 ( $p = 0.000$ ). This underscores the importance of fostering strong hospital-patient relationships to enhance perceptions of influence.

Similarly, prior knowledge about Sharia hospitals significantly increases the likelihood of recommendation. Respondents with knowledge about these hospitals recommend them 83% of the time, compared to 61.8% among those without knowledge ( $OR = 0.331$ ;  $p = 0.016$ ). Understanding the concept of Islamic hospitals further amplifies this effect, as 87.9% of those who understand the concept recommend Sharia hospitals, compared to 40% among those who do not ( $OR = 3.506$ ;  $p = 0.000$ ). These findings suggest that improving public awareness and education about Sharia hospital principles can significantly boost consumer interest.



**Table 4.**  
**Buying Decision Process**

Variable	Purchase Decision of Sharia Hospital	
	n	%
<b>Understanding the concept of Islamic hospitals</b>		
Don't understand at all	35	23.5
Not quite understand	77	51.7
Understand	33	22.1
Completely understand	4	2.7
<b>A sharia hospital as the main priority when you/your family are sick</b>		
Yes	29	26.4
No	57	51.8
<b>The most important factor when choosing a hospital</b>		
Quality of service	48	43.6
Availability of specialist doctors	28	25.5
Cost	2	1.8
Procedures according to sharia	-	-
Location	8	7.3
Reputation	-	-
Others	3	2.7
<b>The importance of Sharia principles when choosing a hospital</b>		
Not important	10	9.1
Less important	7	6.4
Quite important	14	12.7
Important	53	48.2
<b>Willingness to pay more to Sharia hospital</b>		
No, I am not willing to pay more	39	35.5
Yes, I am willing to pay 10% - 25% more than non-syariah hospitals	43	39.1
Yes, I am willing to pay 26% - 50% more than non-syariah hospitals	1	0.9
Yes, I am willing to pay 50% - 75% more expensive than non-syariah hospitals	-	-
Yes, I am willing to pay 76% - 100% more than non-syariah hospitals	1	0.9

Further insights from **Table 4** reveal that service quality is the most influential factor in hospital selection, prioritized by 43.6% of respondents. Other significant factors include the availability of specialist doctors (25.5%) and location (7.3%). Notably, 39.1% of respondents express willingness to pay 10%-25% more for Sharia-compliant services, underlining the market potential among ethically conscious consumers. However, only 26.4% prioritize Sharia hospitals for healthcare, suggesting a gap between preference and actual choice due to perceived barriers or limited access.



**Table 5.**  
**Risk Factor of Decision Purchase of the Society to Use Sharia Hospital**

Variable	Exp (B)	B	SE	95% CI		P-value
				lower	Upper	
Age	0.07	-2.658	1.747	0.002	2.150	0.128
Sex	0.400	-0.917	0.572	0.130	1.226	0.109
Occupation	3.227	1.172	0.658	0.888	11.724	0.075
Family number	0.464	-0.767	0.520	0.168	1.287	0.140
Understand about sharia hospital	2.767	1.018	0.784	0.596	12.854	0.194
Sharia hospital be the first choice	5.348	1.677	0.876	0.961	29.761	0.050*
Hospital complies with sharia principles	2.269	0.819	0.583	0.724	7.109	0.160
Sharia Hospitals influence decision in choosing health services	4.265	1.450	0.549	1.455	12.502	0.008*
Choose a Sharia Hospital even though the costs are a little more expensive	4.502	1.505	0.536	1.575	12.869	0.005*

R<sup>2</sup> : 52,3 %

**Table 5** provides a multivariate analysis of the predictors of Sharia hospital adoption. It identifies statistically significant factors such as the perceived influence of Sharia hospitals (OR = 4.265, p = 0.008) and willingness to pay a premium for Sharia-compliant healthcare (OR = 4.502, p = 0.005). These insights suggest that addressing consumer concerns about value and affordability can substantially increase their likelihood of choosing Sharia hospitals.

In summary, the interplay of consumer knowledge, understanding, and perceived value shapes the development of Sharia hospitals. To boost adoption, targeted strategies focusing on public awareness, service quality improvements, and affordability are essential.

**4.1.2. Impact of Experiential Marketing (EM), Service Quality (SQ), Customer Satisfaction (CS), Customer Loyalty (CL)) on Sharia Hospital Development**

**Table 6.**  
**The Relationship of Hospital Type, Patient Satisfaction and Loyalty**

	Satisfaction		Odds Ratio	P-value
	Satisfy	Not Satisfy		
Sharia hospital	283 (87.3%)	41 (12.7%)	1.793	0.011*
Non Sharia hospital	231 (79.4%)	60 (20.6%)	(0.541 - 5.853)	
	Loyalty			
	Loyal	Not Loyal		
Sharia hospital	279 (86.1%)	45 (13.9%)	1.644	0.0027*
Non Sharia hospital	230 (79.0%)	61 (21.0%)	(1.077 - 2.510)	

\*) significant

Experiential marketing and service quality are pivotal in shaping patient perceptions and fostering loyalty toward Sharia hospitals. Sharia hospitals excel in creating meaningful and engaging patient experiences, aligning healthcare services with ethical and spiritual values. This approach influences how patients perceive service quality, which is critical in determining satisfaction and loyalty. As highlighted in **Table 6**, Sharia hospitals exhibit higher levels of patient satisfaction (87.3%) and loyalty (86.1%) compared to non-Sharia hospitals (79.4% satisfaction and 79.0% loyalty). These differences are statistically significant, with odds ratios of 1.793 ( $p = 0.011$ ) for satisfaction and 1.644 ( $p = 0.0027$ ) for loyalty, underscoring the superior patient retention capabilities of Sharia hospitals. These findings highlight the superior patient retention capacity of Sharia hospitals. Sharia hospitals employ experiential marketing strategies such as dual-language signage, Islamic-themed interiors, and clear communication of Sharia principles in promotional materials. These approaches build an emotional connection with patients and reinforce brand loyalty. Meanwhile, as reflected in **Table 7**, the results show that all criteria in the goodness of the model in both the reflective measurement model and the structural model have been met where for reliability, the value of the loading factor of each indicator is in the range of 0.757 to 1.000 and the Cronbach Alpha value of each latent variable is 0.841 and 0.949 respectively. This model can also be said to be valid where the overall AVE value is more than 0.5 and the Heterotrait-Monotrait correlation value in Table 4 shows results  $<0.9$ . Also illustrated in Table 3 are the indicators that have a significant effect on each latent variable and are included in the model.

Table 7.  
Patient Reflective and Structural Measurement Model

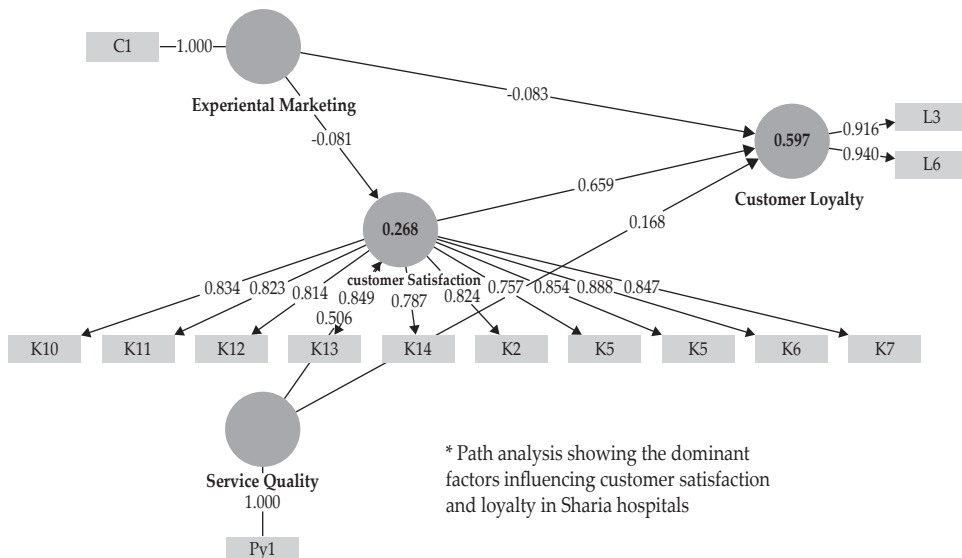
Latent Variable	Indicator	Reliability		Validity	VIF	R2	R2-adj	Q2
		Outer Loading	Composite Reliability	AVE	Outer			
Experiential Marketing (EM)	The first impression of the hospital visited	1.000	-	-	1.000	-		
Service Quality (SQ)	Services at the hospital was being visited compared to other hospitals had visited	1.000	-	-	1.000	-		
Customer Satisfaction (CS)	Completeness of the hospital’s infrastructure, including its healthcare equipment and supporting amenities like chairs and restrooms	0.834	0.841	0.686	2.928	0.268	0.265	0.137
	Hospital Cleanliness	0.823			2.711			
	Hospital comfort	0.814			2.695			
	Sophisticated hospital examination equipment	0.849			3.763			
	Accuracy of Laboratory Examination Results and Other	0.787			2.798			
	Medical Support Examinations at the Hospital Being Visited	0.824			2.802			
	Hospital Service Procedures’ Ease	0.757			2.222			
	Conformance of the listed service type specifications to the obtained	0.854			4.044			
	Hospitality	0.888			3.986			
	Health workers’ neat costume	0.847			3.797			
Customer Loyalty (CL)	Will always consult about health at the hospital visiting	0.916	0.949	0.862	2.108	0.597	0.595	0.584
	Will recommend the hospital being visited to other family and friends when they need health services	0.940			2.108			

The interconnected relationships between experiential marketing, service quality, satisfaction, and loyalty are illustrated in **Figure 1**. In the relationship between experiential marketing and service quality, patient satisfaction acts as a complementary mediator ( $p$ -value < 0.05), which in turn fosters patient loyalty to return to the Islamic hospital. Thus, part of the effect of experimental marketing and service quality on loyalty is explained by patient satisfaction. its impact on reinforcing experimental marketing and service quality is crucial for building long-term trust and engagement (**Table 8**).

**Table 8.**  
**Significancy Test (Mediation Analysis)**

Relationship	Direct Effect			Indirect Effect		
	koef	95%CI	Sig.	koef	95%CI	Sig.
EM→CL	-0,083	[-0,0131; -0,035]	0,001*	-0,054	[-0,221; -0,028]	0,0013*
SQ→CL	0,168	[0,098; 0,234]	0,000*	0,333	[0,284; 0,385]	0,000*

These findings highlight the importance of combining robust service delivery with strategic branding to enhance the patient experience in Sharia hospitals. To optimize outcomes, Sharia hospitals should focus on tangible service improvements, such as reducing wait times and enhancing comfort, while maintaining experiential elements that align with patient values.



**Figure 1.**  
**Model of the Customer Satisfaction and Loyalty in Sharia Hospital**

#### 4.2. Key Elements Contributing to Sharia Hospital Developments (Business Model Canvas (BMC))

Sharia hospitals operate as a vital component of an ethical and inclusive healthcare ecosystem, integrating **strategic partnerships**, **key activities**, **resources**, and **value propositions** with a focus on sustainability and financial equity. Their development is grounded in collaborations with entities like MUKISI (Majelis Upaya Kesehatan Islam Seluruh Indonesia), which facilitates waqf-based hospital operations, and the Dewan Syariah Nasional Majelis Ulama Indonesia (DSN MUI), which ensures adherence to Sharia principles through oversight. The Ministry of Health has also expressed its support for the development of Sharia hospitals, acknowledging their potential to meet community demand for patient-friendly healthcare while emphasizing the need for regulatory strengthening to formalize their role in the health system.

The growth of Sharia hospitals fosters inclusivity and financial inclusion by making healthcare accessible to underserved populations, especially those excluded from conventional health insurance systems. By leveraging Islamic financial instruments such as zakat, infaq, sadaqah, and waqf (ZISWAF), Sharia hospitals can subsidize costs for low-income groups, promoting equitable access to medical care. This alignment with Islamic principles of social justice and financial equity enables Sharia hospitals to improve public health outcomes while ensuring affordability for broader societal segments.

Core **key activities** include high-quality medical services integrated with psycho-spiritual support, such as routine prayers and spiritual guidance for patients. These hospitals also contribute to the development of a Sharia-compliant healthcare industry ecosystem, incorporating halal-certified pharmaceuticals, medical devices, and environmentally responsible infrastructure. Sustainable practices, including waste management and the use of eco-friendly resources, position Sharia hospitals as leaders in ethical and sustainable healthcare operations, fulfilling the Islamic mandate of avoiding harm to society and the environment.

Sharia hospitals rely on **key resources** such as skilled medical staff committed to Sharia values, halal-certified food services, and Sharia-compliant facilities like ablution stations and tayammum areas. These resources reinforce the hospital's **value propositions**, which include gender-sensitive care, social initiatives like free ambulance services, and providing dignified end-of-life care (husnul khotimah). Together, these elements strengthen the hospital's ability to meet both medical and spiritual needs.

In terms of fostering growth, **customer relationships** are built through empathetic, spiritually guided interactions and post-treatment support, ensuring trust and loyalty. Outreach through **channels** such as digital platforms, collaborations with Islamic organizations, and benchmarking with existing Sharia hospitals enhances visibility and credibility. Meanwhile, their **financial structure** combines revenue from traditional services with Islamic financing mechanisms like ZISWAF, ensuring sustainability while maintaining a social mission.

According to MUKISI, the interconnected nature of Sharia hospitals within the broader health ecosystem makes them a transformative force. By prioritizing inclusivity, ethical practices, and sustainability, Sharia hospitals not only offer high-quality care but also address systemic challenges in healthcare delivery.

Their development aligns with the Islamic emphasis on social justice, promoting equity, and advancing public health while ensuring that their operations are both patient-centered and environmentally responsible. These hospitals represent a new paradigm in healthcare, balancing the demands of modern medicine with ethical and spiritual commitments, thereby providing hope for a more inclusive and sustainable healthcare future.

### The Business Model Canvas “Development of Sharia Hospital”










<b>Key Partners</b>  <ul style="list-style-type: none"> <li>Need for active engagement and facilitation from MUKISI (Sharia Hospital Guidance &amp; Supervision) and Sharia National Board of Indonesian Ulama Council (DSN-MUI)</li> <li>Support from the Ministry of Health, especially for vertical Sharia Hospitals</li> <li>Councils and collegiums</li> <li>Collaboration with international organizations or institutions</li> </ul>	<b>Key Activities</b>  <ul style="list-style-type: none"> <li>Competent and high-quality medical services</li> <li>Psychospiritual services (regular prayers and spiritual guidance)</li> <li>Establishment of a Sharia ecosystem (pharmaceutical and medical equipment industry)</li> </ul> <b>Key Resources</b>  <ul style="list-style-type: none"> <li>Halal and hygienic food services</li> <li>Sharia-compliant facilities such as prayer posters, ablution and tayammum spaces</li> <li>Presentation of Sharia-compliant medical staff and health professionals</li> <li>Employee training and enforcement to adhere to Sharia values</li> </ul>	<b>Value Propositions</b>  <ul style="list-style-type: none"> <li>Gender-specific services as a branding for Sharia Hospitals serving Muslim women patients</li> <li>Focus on broad social benefits and worship (free ambulance services, assisting in finding social aid for the underprivileged)</li> <li>Enabling a dignified end for Muslims (husnul khotimah)</li> </ul>	<b>Customer Relationship</b>  <ul style="list-style-type: none"> <li>High-quality and reassuring services</li> <li>Post-treatment assistance</li> </ul> <b>Channels</b>  <ul style="list-style-type: none"> <li>Online marketing (websites, social media, or health platforms)</li> <li>Benchmarking with existing Sharia Hospitals and cooperation with national and international Sharia organizations/institutions</li> </ul>	<b>Customer Segments</b>  <ul style="list-style-type: none"> <li>General public (both Muslims and non-Muslims, wealthy and underprivileged alike)</li> </ul>
<b>Cost Structure</b>  <ul style="list-style-type: none"> <li>Human resource expenses</li> <li>Costs for halal medicines and food</li> <li>Allocation of hospital income for underprivileged patients</li> </ul>	<b>Revenue Stream</b>  <ul style="list-style-type: none"> <li>General medical services like other hospitals</li> <li>Sharia specialty services (halal pharmaceutical and nutrition services, gender-specific services, psychospiritual services, services that facilitate worship like Sharia jurisprudence for patients)</li> <li>ZISWAF (Zakat, Infaq, Sadaqah, and Waqf) contributions from companies/institutions/individuals</li> </ul>			

Figure 2.  
The Business Model Canvas

#### 4.3. Potential Contributions of Sharia Hospitals to Economic Growth

Sharia hospitals are emerging as unique institutions that not only provide healthcare services aligned with Islamic values but also contribute to economic growth. Through various mechanisms such as Islamic financial instruments, patient-centric services, integration within the halal ecosystem, and opportunities for medical tourism development, these hospitals present significant potential to promote inclusive and sustainable economic development in Indonesia. The following sections outline key areas where Sharia hospitals contribute to economic growth.

#### **4.3.1. Healthcare Subsidies through ZISWAF (Zakat, Infaq, Sadaqah, and Waqf)**

One of the defining features of Sharia hospitals is their ability to address healthcare disparities through Islamic financial mechanisms such as ZISWAF, and play a crucial role in promoting financial inclusion by making healthcare services accessible to a broader segment of society, particularly the underprivileged who may be excluded from conventional health insurance systems. Notably, a significant portion of ZISWAF funding in practice originates from Sharia hospital staff and healthcare workers themselves, showcasing an internal commitment to social welfare. Additional sources include contributions from the National Amil Zakat Agency, mosque funds, Islamic foundations, and other religious institutions, which collectively enhance the capacity of Sharia hospitals to provide accessible healthcare (FGD results with Islamic hospitals). The integration of Islamic financial instruments like ZISWAF enables Sharia hospitals to subsidize healthcare costs for low-income groups, thereby enhancing financial inclusion and accessibility to healthcare services. The integration of ZISWAF also helps Sharia hospitals bridge the healthcare gap for underserved populations, making healthcare services financially accessible and culturally relevant, allowing for more equitable access to medical care. According to Purwanto et al. (2021), Islamic social finance through ZISWAF effectively reduces poverty and improves welfare, making it a viable solution for financial crises, particularly in healthcare sectors facing accessibility challenges (Purwanto et al., 2021).

#### **4.3.2. Customer Satisfaction and Loyalty as a Proxy of Religiosity**

Patient satisfaction and loyalty in Sharia hospitals stem from their unique commitment to integrating medical excellence with spiritual care, creating a holistic approach to well-being. These hospitals provide an environment where patients' religious practices and beliefs are respected, promoting both physical and spiritual healing. This alignment with Islamic values strongly resonates with Muslim patients and extends to non-Muslim individuals who value ethical, inclusive, and patient-centered care. Reports from hospital employees highlight loyal non-Muslim patients, particularly among the ethnic Chinese community, illustrating the universal appeal of Sharia hospitals. Their dual focus on physical health and spiritual fulfillment enhances the patient experience and fosters trust and loyalty. As noted in focus group discussions, "health is not just the absence of illness, but a state of peace where worship and spiritual practices are respected during recovery," emphasizing the centrality of holistic care in their service ethos.

Research further reinforces the economic and ethical value of Sharia compliance in healthcare. Survey data reveal that 39.1% of respondents are willing to pay 10%-25% more for Sharia-compliant services, reflecting the perceived value of religious and ethical alignment in healthcare. This willingness to pay a premium highlights how religiosity and ethical assurance influence patient satisfaction and loyalty. Consumers tend to prioritize Sharia competence and certification over physical infrastructure or ancillary services, making Islamic principles a distinct value proposition. Additionally, studies like those by Windasari et al. (2024) and Ruangsrroj & Suvittawat (2022) underscore the competitive advantage derived from combining high service quality with ethical commitments, reinforcing Sharia



hospitals' position as trusted providers of holistic, ethically grounded healthcare. This synergy between values and service excellence solidifies their reputation and ensures sustained patient loyalty.

#### **4.3.3. Positive Public Reception and Medical Tourism Potential**

The public response to Sharia-compliant healthcare in Indonesia has been overwhelmingly positive, as Sharia standards enhance the perceived value and trustworthiness of hospital services. Sharia hospitals not only cater to the ethical and religious needs of Muslim patients but also offer high-quality, domestically available care that could deter patients from seeking treatment abroad. This positions Sharia hospitals as drivers of economic growth by expanding the healthcare market to include international patients seeking Islamic-friendly services. As cited from DSN MUI and MUKISI, neighboring countries including Thailand, the Philippines, Japan, and Turkey have shown growing interest in adopting the Sharia hospital model, reflecting its global appeal. Indonesia, with its strong regulatory framework and established certification standards through DSN MUI, is uniquely poised to lead this movement, leveraging its experience and infrastructure to become a model for Sharia-compliant healthcare internationally.

Efforts to integrate medical tourism into Indonesia's Sharia hospital ecosystem are underway, supported by regulations like the Ministry of Health Regulation Number 76 of 2015 on Medical Tourism Services and the Joint Decree of 2022 on health tourism guidelines. Interviews with MUKISI reveal plans to develop Sharia-compliant medical tourism destinations in key regions, highlighting Indonesia's potential as a global hub for halal medical tourism. Rising global demand for Sharia-compliant services, especially among Muslim tourists, further underscores Indonesia's strategic opportunity. By enhancing existing Sharia hospital standards and expanding facilities in major tourist areas, Indonesia can attract both local and international patients, solidifying its position as a leader in ethical and religiously aligned healthcare within the global halal economy.

#### **4.3.4. Growth of the Halal Ecosystem**

The halal awareness significantly and positively affects the purchase intention of halal medicines. In addition, both subjective norms and perceived behavioral control are identified as significant factors influencing the intention to purchase halal medicines (Al Maslul & Priantina, 2024). This growing demand highlights the essential role of Sharia hospitals in expanding the halal ecosystem. The growth of Sharia hospitals stimulates the development of a broader halal ecosystem, which includes shariah-compliant banking, insurance, halal-certified food and nutrition services, and pharmaceutical products. By fostering connections with these supporting industries, Sharia hospitals help expand the halal economy, creating cross-industry collaboration and boosting economic resilience. According to an in-depth interview with MUKISI, "the growth of Sharia hospitals is expected to have a lasting impact on the healthcare system and the interconnected halal ecosystem." The development of the halal ecosystem not only supports the healthcare needs of Muslim patients but also promotes economic growth by expanding halal-certified

services like pharmaceutical supplies, laboratory services, and nutrition. This approach contributes to building a sustainable and ethical economic model in line with Sharia principles (Maharani et al., 2021).

Some regions, such as Aceh, emphasize Islamic principles by mandating the use of Sharia-compliant banks for payroll and insurance, highlighting an opportunity for further Sharia hospital development that aligns with regional Islamic policies. A representative from the National Sharia Council (DSN MUI) suggested that Indonesia's national health insurance (BPJS Kesehatan) might consider creating a Sharia-compliant unit to accommodate and support the evolving Sharia healthcare ecosystem. With three certified halal clinics and one halal-certified laboratory currently operating, the halal healthcare ecosystem continues to gain traction, promoting economic resilience through inter-industry collaboration.

#### **4.4. Critical Action to to Harness the Potential of Sharia Hospitals**

To fully leverage the potential of Sharia hospitals as a driver of economic growth in Indonesia, it is essential to implement targeted strategies that address both current challenges and areas for improvement. While Sharia hospitals have already demonstrated significant strengths in providing ethically aligned, patient-centered healthcare, further actions are necessary to enhance their influence, expand their reach, and solidify their role within the broader healthcare and economic ecosystem. This section discusses critical actions required to maximize the impact of Sharia hospitals, focusing on increasing public awareness, strengthening regulatory frameworks, improving service quality, and fostering collaborations within the halal ecosystem. By adopting these measures, Sharia hospitals can better position themselves as key contributors to inclusive, sustainable economic growth in Indonesia.

##### **4.4.1. Building Public Trust and Awareness through Branding and Education**

Sharia hospitals possess a distinct advantage in their ability to build a strong brand rooted in Islamic values, which resonates deeply with patients who prioritize ethical and religious alignment in healthcare. Efforts to enhance public trust include incorporating Islamic elements into hospital signage, brochures, and bilingual communication materials in Indonesian and Arabic. These strategies create a unique identity, positioning Sharia hospitals as institutions that align with both ethical standards and spiritual needs. However, public understanding of Sharia hospitals remains limited; 51.7% of respondents lack sufficient knowledge of their concept, and only 26.4% prioritize Sharia compliance when choosing a healthcare provider. Instead, service quality (43.6%) and the availability of specialist doctors (25.5%) are the primary considerations, revealing an urgent need to bridge the awareness gap about the added value of Sharia-compliant services.

Despite this lack of understanding, 48.2% of respondents value Sharia principles in hospital selection, and 39.1% are willing to pay 10%-25% more for Sharia-compliant services. This demonstrates significant potential for Sharia hospitals to position themselves as trusted providers through targeted educational campaigns that highlight their unique offerings, such as ethical care, spiritual

integration, and inclusivity. By leveraging media and digital platforms to clarify these benefits, Sharia hospitals can build a more informed and loyal patient base. Strengthening public awareness and trust through standardized certification logos and transparent communication will further enhance their appeal, fostering higher satisfaction and loyalty while expanding their contribution to Indonesia's economic growth and the broader halal healthcare market. By increasing visibility and clarifying the distinct value propositions of Sharia-compliant healthcare, these institutions can cultivate a stronger, more informed patient base that recognizes and values their ethical and religious principles. This enhanced public awareness and trust are likely to lead to higher patient satisfaction and loyalty, positioning Sharia hospitals as a preferred choice for ethically conscious healthcare. In turn, this positioning not only strengthens individual institutions but also contributes to Indonesia's economic growth by expanding the market for Sharia-compliant services within the healthcare sector.

#### **4.4.2. Providing Stronger Regulatory Support and Comprehensive Sharia-Based Services**

Sharia hospitals face significant regulatory challenges despite their potential as a distinctive healthcare model and economic driver. While MUKISI has actively promoted Sharia-compliant healthcare, full regulatory support from the Ministry of Health remains absent. Although Indonesia is the only country with an established Sharia hospital standard, its development largely depends on the willingness of hospital boards to pursue certification. This lack of centralized, policy-driven support represents a missed opportunity to maximize the economic and healthcare potential of Sharia hospitals, both domestically and in positioning Indonesia as a leader in the global halal market. International interest from countries, including those with minority Muslim populations, further underscores the untapped potential of Sharia hospitals.

A key area of Sharia application is maternal and child healthcare, exemplified by the Sharia Model Childbirth (SMC). One hospital has implemented a detailed SOP with 60 ethically grounded steps, as endorsed by the Indonesian Midwives Association (Suryani et al., 2023). However, broader implementation is hindered by the absence of a dedicated regulatory framework. Establishing a model Sharia hospital as a benchmark for inclusive, ethical healthcare could provide a blueprint for expanding Sharia-compliant practices nationwide. Such a model would demonstrate how Sharia hospitals can deliver high-quality care to diverse communities while reinforcing Indonesia's leadership in the Sharia healthcare sector.

## **V. CONCLUSION AND RECOMMENDATION**

This study highlights the significant role of Sharia hospitals in driving economic growth in Indonesia through their ethical and Sharia-based healthcare services. Despite challenges in data collection, the findings indicate positive responses from both patients and hospitals. Sharia hospitals contribute to economic inclusivity by subsidizing healthcare for underserved communities through Zakat, Infak,

Sedekah, and Wakaf (ZISWAF), fostering patient loyalty with holistic and spiritually aligned services, and supporting the expansion of the halal ecosystem, including sectors like halal medical tourism. As these institutions grow, they are well-positioned to promote ethical development and strengthen Indonesia's leadership in Sharia-based healthcare. Realizing this potential requires stronger regulatory support and comprehensive Sharia service models to ensure sustainable growth and a more inclusive healthcare system.

There are several recommendations to advocate:

1. **Develop Comprehensive Regulations:** The government should establish clear and detailed regulations specific to Sharia-compliant healthcare, particularly Sharia hospitals, to ensure their alignment with national health strategies and Sharia principles.
2. **Enhance Public Awareness:** Implement structured and continuous public awareness campaigns to educate communities about the benefits and distinct value of Sharia hospitals, fostering greater trust and loyalty.
3. **Strengthen Branding and Certification:** Introduce a standardized Sharia-compliant certification logo as a recognizable hallmark of trust and quality, alongside branding initiatives that highlight the ethical and spiritual values of Sharia hospitals.
4. **Expand Ecosystem Support:** Strengthen the Sharia hospital ecosystem by developing essential components such as gender-specific services, psychosocial care, and a Sharia-based pharmaceutical industry to enhance impact and competitiveness.
5. **Establish Model Institutions:** Create a pilot Sharia hospital to serve as a national benchmark, showcasing inclusive and ethical healthcare practices while reinforcing regulatory support and public trust.
6. **Standardize Healthcare Practices:** Develop and implement Sharia-compliant Standard Operating Procedures (SOPs) across institutions, ensuring consistency, quality, and broader adoption of Sharia principles in healthcare services.

These recommendations will strengthen shariah hospitals as the primary choice for communities seeking healthcare services that adhere to shariah principles.

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