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AN OVERVIEW ON THE GROWTH OF HALAL-CONCEPT HOTEL CHAIN'S IN MALAYSIA

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Abstract:

The paper attempts to survey the emergence of halal-concept hotel chain in Malaysia by reviewing current project and initiative to set up the blueprint and framework of halal-concept hotel based on the principle of *halalan toyyiban* (allowed and permissible for consumption). Against this backdrop, it looks into current perception and effort to develop shariah-based hotel network and to conceptualize the idea into dynamic embodiment of contemporary Islamic market that reflect a major breakthrough in the industry and marked an important achievement in the halal-business enterprise and current direction of Islamic tourism in Malaysia. The aim of this research is to highlight the significant growth of halal-concept hotel in Malaysia by outlining its origin, conceptual framework and practical orientation, standard practice and basic operation, principal guideline and ethical vision in managing the business, and significant achievement and future challenge and prospect. The study is based on qualitative (narrative) and quantitative (inventories) methods where data is collected from intensive library research and fieldwork. From the discussion, the finding shows that the industry has been targeting to become an alternative to conventional hotel and improving the conventional order and practice of hospitality in line with shariah-based principle, by invoking a Muslim-friendly environment and embark on projecting new innovation to advance Islamic alternative as Malaysia continue to lead this highly competitive market of global halal industry.

Keywords:

Halal-Concept Hotel, Hospitality And Service, Islamic Brand, Shariah-Compliant Business

Introduction

Tourism in Malaysia has been applauded as one of the fastest growing sectors in the country that strategically positioned it in the burgeoning market industry along with other highly-critical developing economic agendas such as energy, food, infrastructure, digital transformation and etcetera. The study brings into focus an informed and comprehensive perspective of Halal tourism industry in hotel management which addresses several crucial aspects of its background and prospect in Malaysia's future market. It looks into historical backdrop of the flourishing development and breakthrough of Muslim-friendly and Shariah-compliant Hotel provider in Malaysia. Its current excellent rating was driven by Malaysia's competitive edge in global economic prospect. The paper consists of research objectives, research questions, research method and design, literature review, expected outcome and final conclusion.

The following defines some major objectives of research: (1) to outline the aim and objective of developing halal-concept hotel chain in Malaysia (2) to describe the standard practice and principal orientation designate for this project (3) to highlight some differences between shariah-based hotel and conventional secular hotel chains from Islamic principal commitment and viewpoints (4) to discuss the significant contributions of halal-concept hotel in propelling economic growth in tourism sector and in attracting foreign direct investment from larger player in the Middle East especially among the Arab-African countries (5) to identify the problem in managing halal hotel business in contemporary practice of global halal market and economic competencies.

The principal questions addressed in this research were (1) what were the aim and objective of developing halal-concept hotel in Malaysia? (2) what is the standard practice designate for this project? (3) what is the principle different of shariah-based hotel and conventional secular hotel chains from Islamic standpoint and how to accommodate their diverse practices? (4) what is the contribution of halal-oriented hotel in propelling economic resilience and growth and advancing the technologically-related Islamic capital market? (5) how to propel the reputation of Malaysia as major player in halal industry and in attracting foreign direct investment from rich-oil multi-national companies in the Middle East? (6) What is the problem and challenge faced in managing and sustaining the halal-oriented hotel industry?

The high star rating of shariah-compliant hotels in Malaysia (Zulkifly Md Said, 2017) was a testament to its global recognition worldwide which is aligned with recent implementation of MFAR (Muslim-Friendly Accommodation Recognition) scheme by the Islamic Tourism Centre (ITC) that recognize and label 42 syariah-compliant hotels with its official MFAR logo (Teh Athira Yusof, 2020). It serves as a catalyst to boost the market performance by attracting more Muslims guest and tourist into the country which has registered an increasing trend of numbers internationally "In 2019, Malaysia received a total of 5.33 million Muslim tourist arrival, an increase of 1.45 per cent from 2018 (5.25 million tourists) generating MYR 16.72 billion in tourist receipts which is an increase of 0.72 per cent from 2018 (MYR 16.60 billion" (Teh Athira Yusof, 2020). This MFAR initiative was the first of its kind which has received support from Malaysian Association of Hotels (MAH), Malaysian Association of Hotel Owners (MAHO), and Malaysia Hotel Association (MyBHA)

Toward this aims, the paper determines to conclusively observe and conduct in-depth interview with relevant authorities, especially top managerial staff and officers, and getting feedback from its customers on their overall perception and expectation of the business in term of treatment and hospitality provided. It will also compare the implementation of technically Islamic practice in shariah compliant hotel in other parts of Muslim countries, such as Saudi Arabia, United Arab Emirates, Brunei, and Qatar and the Gulf countries, comparing their governmental practice in increasing revenues by enabling development effort toward future potential growth, ensuring sustainability and inclusivity and promising prospect for capital growth.

The study is based on qualitative (narrative) methods in the form of theoretical and conceptual framework where data is collected from intensive library research and fieldwork. It reviews extensive works on halal-related subjects especially on the theme of standardization of Islamic-practice in shariah-compliant hotel in Malaysia. The fieldwork will practically look into the operation at selected Muslim friendly halal-brand hotel premises such as De Palma Hotel Ampang & Shah Alam; TH Hotels & Residences; RAIA Hotel & Convention; Perdana Hotel Kota Bharu; Hotel Midaris (Syariah) Kuala Lumpur; Oyo Green Home Hotel Syariah Sepang; Movenpick Hotel & Convention Centre KLIA; Ibis Styles Sepang KLIA; PNB Perdana Hotel & Suites on the Park (awarded 'world best halal apartment' 2016 at the World Halal Tourism Summit 2016); Adya Hotel Langkawi; Grand BlueWave Hotel Shah Alam; Klana Beach Resort Port Dickson; Mardhiyyah Hotel & Suites Shah Alam and other domestic budget-hotel chains in Malaysia.

Literature Review

Based on initial survey of past literature, works published in this topic generally pointing to seminal aspect of halal tourism industry and Muslim-friendly environment and infrastructure. It had considerably focus on the planning and prospect of some of the leading shariah compliant hotel in Malaysia particularly in the West-coast of peninsular. The publication has been continuously developed with unprecedented number of researches undertakes to broadly discusses such outstanding topics, and the finding has been widely published in newspapers cutting and journals showing their great potential of to expand at greater pace. The following outlined the main summary of these halal-related industry researches.

Che Musa et. al (2013) argued that tourism has contributed MYR 60.6 billion to Malaysian revenue with the arrivals of 25.03 million tourist in 2012, and 55% of this derived from Islamic countries. Malaysia's revenue for halal product market is estimated at 6.56 (USD 2.1) trillion which comprised not only food product but also the highly influential Islamic tourism. Mohd Fadil (2011) stated that tourism has been identified as one of twelve key sectors to be developed under new economic model. He contended that based on data from international tourism, Muslim tourist around the world had contribute ten percent to the sector from the total of USD 852 billion.

To evaluate current Islamic tourism and its compliant to shariah, many analysts prefer to use SWOT (strengths, weakness, opportunities and threats) analysis. But the comprehensive analysis is yet to be developed, since it suffered from lack of data available. Zakiah (2013) argued that in a statistic provided by JAKIM it indicated that only 101 hotels throughout Malaysia applied for Halal logo certificate from JAKIM, and State Islamic Religious Council (JAIN) for certification of their café and restaurant (as reported by Berita Harian). Thus, to

evaluate the process of halal-standardization, it has to resort to alternative method by using Diffusion of Innovation (DOI) theory. This is also due to uncertainties in government regulation of halal criterion, leading to suggest that Malaysian Standards (MS1900:2005 & MS1500:2004) be employed as tool in SCH (Shariah-compliant hotel) practice. In order to upgrade the degree of compliance of hotel in meeting purely Islamic rules and principles (Zakiah, 2013), it is high time that we accelerate research in halal-related industry in wide spectrum of research. Zakiah thus emphasized that it is pertinent, with the emerging phenomena of shariah compliant hotel, to illustrate some feature and characteristic of Islamic tourism and its enormous contribution to halal-market enterprise.

Nor Zafir et.al (2014) further argue that there is lack of research on Shariah-compliant hotel (SCH) which look into its characteristics, and implementation. This claim was reinforced by Zailani et. al (2011) who contended that "there is no comprehensive study found on Halal or Shariah-compliant practices in Malaysian hospitality industry." Basically, the ideas discussed by these authors illustrated the need to project more extensive research on this emerging Islamic tourism industry that had not been thoroughly reviewed and assigned to its rightful position.

This research is expected to provide comprehensive overviews on the conceptual framework and strategic operation of halal hotel industry in Malaysia. This is highly significant for the shariah-based hotel to advance and idealize Islamic values in its operation. The initiative to Islamize hotel industry and standardize its performance will drive forward the currently competitive business of Muslims-friendly hotel, which was geared to take the lead in this significantly competitive economy and inspired the breakthrough in the industry.

Context and History
Sustainable tourism as defined by The World Tourism Organization (UNWTO) is tourism that takes full account of current and future economic, social and environmental impacts and global repercussion. Its goal is to reduce poverty, respect socio-cultural authenticity and sustainability. In the context of global estimate of sustainable future of halal hotel industry and its ecosystem and horizon, the creation of significant profit forthcoming from Shariah-compliant hotels sectors has bring highly resounding and reputable impact to the industry which is considered as its most lucrative products.

Nevertheless, from a range of 5,520 international and local hotel chain in Malaysia, only 10 per cent are complying with Shariah principles and requirement (Che Musa Che Omar, Noormuthaah Mohamad Ali Adaha, 2019). The criteria for Islamically-compliant hotels has been consistently upgraded that enjoyed the highest rate, among the Middle Eastern guest and tourist. The standard being developed since it introduced this kind of Islamically-oriented hotels offering a range of diversified and holistic treatment of services and management tailored to the need of Muslims customers.

The star rating attributes to shariah-compliant hotels in Malaysia was designed to suit with contemporary demand which requires certain measures to be fulfilled – (1) restaurants serving halal and non-halal food must have separated kitchen, storage facilities, washing amenities, utensils and equipment (2) Qibla sign has to be displayed on ceiling of every room (3) water hose/bidet to be provided for ablutions (4) separate compartment of halal and non-halal food (5) provision of surau (prayer rooms) (Zulkifly Md Said, 2017).

In principle, this is necessary considering the prospect of guest looking for room facilities perfectly equipped and provided with utilities for ablution, and embedded with prayer mat, prayer room (*musolla*), the Muslim kits, Qibla direction, Holy Quran, and proper Islamic code of dressing that adhered to Islamic Quality Standard (IQS) and specifically meet the Shariah requirement. In their endeavor to provide convenient accommodation the hotel operators and hoteliers had promised an array of access to a quality and sanitized stays.

Defining Malaysian Tourism Industry: Promoting Sustainable Ecosystem of Halal Hotel Business Climate

To capitalize and leverage on the potential niche and advantage of the shariah-hotel, it required sustained effort to maintain its role internationally as global players. With reference to the fatwa of the National Shariah Council, on defining the scope and standard of operation concerning guidelines for promoting tourism based on Shariah principles, Shariah hotels were technically understood as hotels that adhered to Islamic shariah system in their operation and activities. This concept applied to various aspects of hotel service, i.e., providing halal food and drink (non-alcoholic), menu content the certified halal designation, facilities and places for worship, and its equipment in each room. In addition, several principles were also considered where guests must be separated between mahram (guardianship or family member) and non-mahram (non-relatives with whom marriage is lawful, in this one has to observe the hijab). Often, Shariah hotels always equipped with adhan reminder (prayer times), and ablution kits in keeping with Muslim lifestyles. This in distinction from conventional hotel practice, that provides standard service following general convention or international hotel standards.

In perspective and keeping with such increasingly bright prospect of halal-service industry, the global focus on Islamic product and service continues to gain wide recognition and becoming highly attracting especially on halal food, Islamic banking (Norzafir Md Salleh, 2014) and shariah-compliant hotel. In response to the fast growing and compelling demand for Islamic oriented hotel business, innovative services were developed and implemented aligned with Islamic criteria and its holistic practice and regulation which carrying out the halal guideline in the adoption and development of Shariah-based hotel industry.

The halal-compliant hotel brand delivers competitive edge of Shariah compliant accommodation for guest and tourist (Noor Sufiawati Khairani, Noriah Ismail, Emelin Abdul Wahid, Mohamad Zaki Razaly, Noraizah Abu Bakar, 2021). It consistently deployed strategic features of competitive advantage of Islamic hospitality offering highly promising prospect of defining concept of Islamic quality management in hospitality industry that surprisingly impacting the tourism sector as it is universally accepted and tailored to different needs and interest (Zakiah Samori, Fadilah Abd Rahman, 2013)

In retrospect, the all-inclusive application of halal brand must also include other competitive factors such as environmental sustainability that addresses the specific consequences of environmental issues and its strategic measures and solution in parallel with the increasing growth and attraction of halal tourism sector (Maftukhatusolikhah, Disfa Lidian Handayani, Nardi Pratomo, M. Iqbal, Erdah Litriani (2024). This help to promote and showcase high value indicators of halal-based industry and its standard mechanism consistent with responsible and inclusive approaches and conception of sustainable and inclusive framework in the future model of shariah-based developmental goals.

Conclusion

The principles of Islamic hospitality industries and shariah-compliant hotel brands and its developmental target has provided an ample opportunity for the industry players to upgrade their products and services into arguably holistic and efficient Islamic business providing inclusive and enriching experience in the internationally recognized and globally competitive brands of halal hub industry networking. Malaysia's resilience economy and its position as key destination of halal-hub industry with sustainable projection in terms of its offers and packages marked its deployment as the leading powerhouse of global shariah-compliant hotel provider that cater to the need of diverse framework of industry and background. It does provide Islamic funding to finance Islamic financial instrument including Islamic hotels as outlet selling Islamic product and services. Considering this prospect hoteliers should look forward to collaborate with the growing number of homegrown Shariah-compliant hotel player to enhance the industry and maintaining key standard of operation as catalyzer of shariah service and management and the making of future prospect of attracting international and domestic support.

Acknowledgement

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