Review Article

Challenges and Prospects of the Halal Hotel Industry in Muslim-majority and Muslim-minority Countries: The Case of Malaysia and Thailand

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ABSTRACT

The number of Muslim tourists has surged in recent years due to increased number of Muslim population with higher segment of better educated and more prosperous Muslim community. Although this is undoubtedly an opportunity for the hotel industry, the unique religious and cultural needs of Muslims pose some challenges for hoteliers. A response to this has been the development of halal hotels which offer food, accommodation and entertainment that is halal. While establishing halal hotels in Muslim-majority countries like Malaysia seems to be easier with the inherent good understanding of Islamic practices as well as support from the government, halal hotel industry could also give competitive advantage to Muslim-minority industry such as Thailand. It is therefore pertinent and timely to look into the challenges and prospects of halal hotel industry in Malaysia and Thailand. The comparative research framework must include a considerable number of hotels encompassing a variety of scales of operation from both countries to obtain reliable qualitative data. The findings could assist policymakers and relevant authorities in setting the way forward for the industry particularly by establishing relevant regulation and economic environment that support the industry.

Introduction

In recent years, numbers of Muslim tourists have increased and are expected to continue to do so in the future (Jurattanasan & Jaroenwisan, 2014; Rahim, 2016). Muslims have different religious and cultural beliefs from non-Muslims; necessitating the creation of hotels to cater for their particular needs, often referred to as halal hotels (Kamarulzaman *et al.* 2012). Halal is an Arabic word that means permitted and lawful. This concept comes from the Quran and is used to describe objects and actions, those that are halal must meet all the principles of Islam which Muslims are expected to abide by. In some literature, halal hotels are being referred to as Muslim friendly hotels (Islamic Tourism Centre (ITC), 2018), Shariah compliant hotels (Jurattanasan & Jaroenwisan, 2014 and Idris & Abdul Wahab, 2015) or Islamic hotels (Kamarulzaman *et al.* 2012).

The requirements of a halal hotel are particularly exacting; all aspects of the operation must be halal. Cuisine is one of the most obvious requirements; all food and beverages prepared in a halal hotel, without exception, must be halal. However, the requirements of halal hotels are not restricted to food preparation. A halal hotel must have designated prayer rooms, appropriate bathroom facilities, sex-segregated pools, and a number of other requirements to meet the needs of Muslim travellers. According to El-Gohary (2016), one reason Muslims detested traveling abroad was the difficulty finding halal hotels.

Literature Review

Both Malaysia and Thailand have well-established tourist industries with continuous effort to expand into the new market of Muslim tourism (Razalli *et al.* 2013). Although there is a paucity of studies of challenges facing the halal industry in the two nations, some issues have been identified.

Halal Hotel Industry in Malaysia

Malaysia was the first of the two countries to have a halal tourist industry (Idris & Abdul Wahab, 2015). Although it was comparatively easy for a halal tourist industry to establish in a Muslim-majority country where the requirements of Muslims are well-understood and well-established; there was the need to reassure their international Muslim guests that their services were indeed halal (Gabdrakhmanov *et al*. 2016). To this end the Malaysian government established the national accreditation body, JAKIM, which determines if a hotel meets halal requirements (Samori & Rahman, 2015). According to Westeastinstitute (2018), 102 hotels in Malaysia have been accepted as halal by JAKIM.

Competition is one of the greatest factors influencing the halal hotel industry in Malaysia. With over 102 hotels accredited by JAKIM, and an even greater number of non-accredited hotels that attempt to offer halal services, Muslim tourists visiting Malaysia have many

options to choose from (Battour & Ismail, 2016). The hotel industry was historically unpopular in Malaysia (Mansouri, 2014) leading to difficulty for halal hotels to find and keep staff. Although this is changing, the work is known to be seasonal and to have unusually exacting requirements, requiring the staff to be Muslim, knowledgeable in Islamic regulations as well as trained in hospitality or catering (Battour *et al.* 2013).

Two factors give good prospects for the future of the halal hotel industry in Malaysia. First; although the industry has been built on international Muslim tourists, there are also great possibilities for the development of the domestic Muslim tourist industry that may lead to doubling of the source market for halal hotels (Zulkharnain & Jamal, 2012). Second, the industry has the full support from the government. This is demonstrated by the formation of JAKIM for halal accreditation and certification (Samori & Rahman, 2015), increased hotel and catering courses to meet the expanding demand of the halal hotel industry (Mansouri, 2014), and the provision of regulatory and economic environment in which the halal hotel industry can thrive (Nursanty, 2013).

Halal Hotels Industry in Thailand

Although Thailand has a vibrant tourism industry, it was in a relatively poor position to set up a halal hotel industry. As a Buddhist-majority country, many of the religious requirements of Muslims were poorly understood or perceived to be difficult to meet. The recognition that Muslim tourists were seeking halal accommodation led to the opening of the four-star Al Meroz hotel in 2016 (Mohsin *et al.* 2017). Four more halal hotels have opened since, although the country lacks a halal accreditation organization.

The single biggest issue faced by the emerging halal hotel industry in Thailand is a shortage of staff. To adequately meet the standards of halal hotels, many staff must be Muslim (Oktadiana *et al.* 2016). Only 5% of Thailand's population is Muslim, and finding members of this population trained in hospitality is often very difficult. Some halal hotels have had to seek employees from overseas, which increases their cost of operation.

Nevertheless, the potential for halal hotels in Thailand is great (Chandra, 2014). More than 650,000 Muslims visit the country per year (Razalli *et al.* 2012), a number that is believed to increase with the opening of halal hotels (Samori & Rahman, 2015). Although at present there is no specific support for halal hotels from the Thai government, such support would not be difficult to derive from systems already in place to support tourism in general.

Future work

In order to better understand the challenges and prospect of halal hotel industries in Malaysia and Thailand, there is a need to perform comparative study between the countries focussing on the opportunities for growth of the industry. A considerable number of hotels encompassing a variety of scales of operation from both countries must be included to obtain reliable qualitative data. Questionnaires could use Likert-scale which allows statistical analysis, path modelling and structural equation modelling. Subsequent in-depth interviews

using open-ended questions shall allow the results of the mathematical analysis to be elaborated upon, providing information and context that would otherwise be lacking.

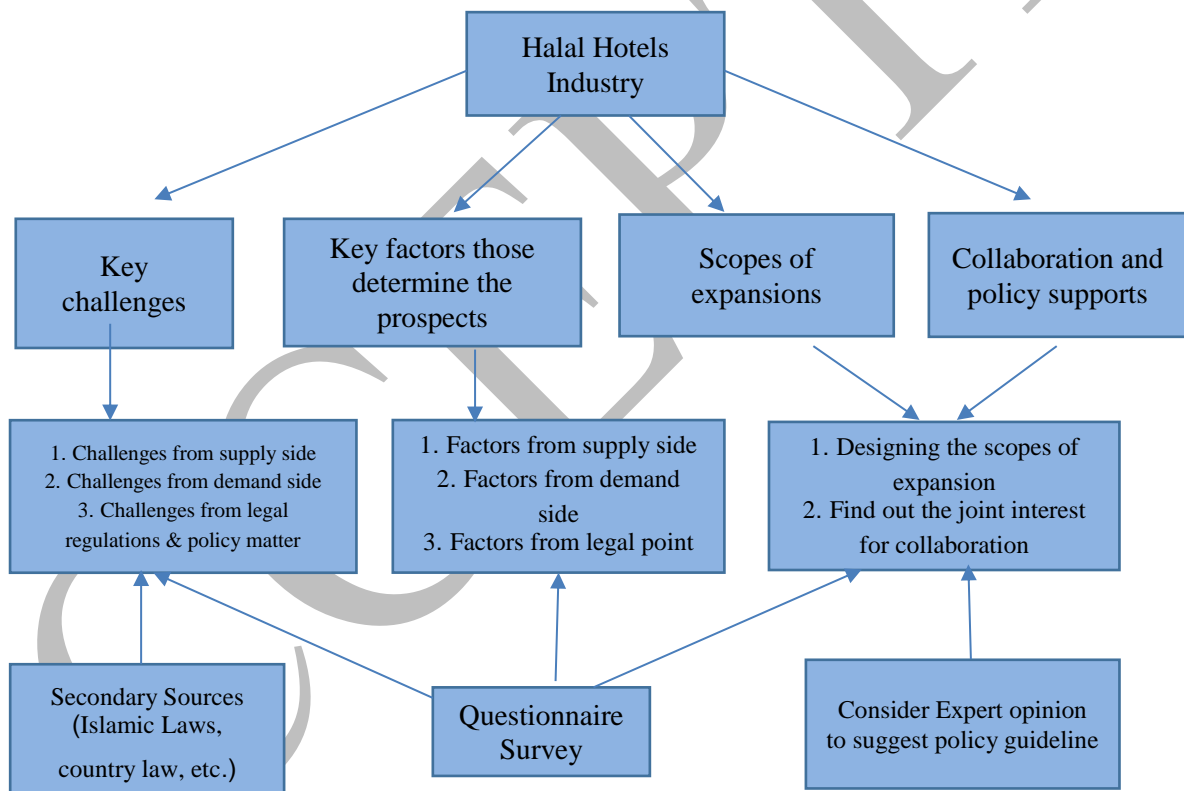The framework of this exploratory, comparative research is shown in Figure 1.

Figure 1: Framework for Comparative Study of Challenges and Prospect of Halal Hotel Industries in Malaysia and Thailand

Conclusion

This research framework could lead to important findings on the challenges and prospect of halal hotel industry in Muslim-majority and Muslim-minority countries. This could assist policymakers and relevant authorities in setting the way forward for the industry particularly by establishing relevant regulation and economic environment that support the industry.

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Conflict of Interest

The author declare no potential conflict of interest with respect to the research, authorship, and/or publication of this article

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