

Muslim Friendly Hotel (MFH) in Malaysia: Understanding the Market

Hotel Mesra Muslim di Malaysia: Memahami Pasaran

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Abstract: The increasing number of Muslim travellers has led to the increase of demand and supply in Islamic tourism and hospitality industry. Due to this trend, hotel providers have provided innovative services, and Muslim-Friendly Hotel has been created specifically to cater the needs of Muslim travellers. Perceived value is acknowledged as an influential measure of customer satisfaction and behavioural intention. However, only a limited amount of empirical research has been made on the relationship between perceived value, satisfaction, and behavioural intentions towards Muslim-friendly Hotel in the context of Muslim tourists. Although researchers have proposed theoretical knowledge and provided empirical evidence on the concept of perceived value, only a few studies have applied this concept in the Muslim tourist's perspective. It is important to understand the relationship between concept-perceived value, satisfaction, and behavioural intention of Muslim tourist, for the sustainability of a competitive business. Therefore, a survey was made on 386 Muslim tourists who have experienced the services provided from the selected Muslim-friendly hotels in Malaysia. Partial Least Square algorithm (PLS-SEM), with the aid of Smart PLS software, was used to test and validate the reliability of the scales. The findings from this study indicate that service quality, physical attribute, emotional and nonphysical attribute are four interrelated factors, which collectively contribute to Muslim tourists' satisfaction. Besides that, the findings also confirm the roles of satisfaction as a mediator in the relationship between (i) service quality, (ii) Islamic physical attribute, (iii) emotional and (iv) Islamic nonphysical attribute with behavioural intentions. These findings contribute to the theory of consumer's behaviour by examining the behavioural intention of Muslim tourist, in the context of Muslim-Friendly Hotel. In terms of practical implications, the findings may also assist tourism providers and marketers in establishing and developing Islamic tourism product and services by meeting the needs of Muslim tourists.

Keywords: Islamic Friendly Hotel, Muslim Tourist, perceived value, satisfaction.

Abstrak: Peningkatan jumlah pelancong Muslim menyebabkan peningkatan terhadap permintaan dan penawaran dalam industri pelancongan dan perhotelan berasaskan Islam. Disebabkan tren ini, penyedia hotel telah menyediakan perkhidmatan-perkhidmatan yang inovatif, dan Hotel Mesra Muslim telah dicipta khusus untuk memenuhi keperluan pengembara yang beragama Islam. Persepsi nilai adalah diakui sebagai ukuran yang berpengaruh bagi kepuasan pelanggan dan niat perlakuan. Walau bagaimanapun, hanya sejumlah kajian empirikal yang terhad telah dilaksanakan berkaitan hubungan antara persepsi nilai,

kepuasan, dan niat perlakuan terhadap Hotel mesra Muslim di dalam konteks pelancong yang beragama Islam. Walaupun para penyelidik telah mencadangkan pengetahuan teori serta menyediakan bukti empirikal berkaitan konsep persepsi nilai, hanya beberapa kajian sahaja yang menerapkan konsep tersebut pada perspektif pelancong yang beragama Islam. Ia adalah penting untuk memahami hubungan antara konsep-persepsi nilai, kepuasan, dan niat perlakuan pelancong yang beragama Islam, untuk kelangsungan perniagaan yang kompetitif. Oleh yang demikian, tinjauan telah dilaksanakan terhadap 386 para pelancong Muslim yang telah menikmati perkhidmatan yang disediakan dari hotel mesra Muslim terpilih di Malaysia. Algoritma Partial Least Square (PLS-SEM), beserta bantuan perisian Smart PLS, telah digunakan untuk menguji dan mengesahkan kebolehppercayaan skala. Hasil dapatan dari kajian ini menunjukkan bahawa kualiti perkhidmatan, sifat fizikal, sifat bukan fizikal dan emosi adalah empat faktor yang saling berkaitan, dimana ianya secara kolektif menyumbang kepada kepuasan pelancong yang beragama Islam. Selain itu, hasil dapatan juga mengesahkan peranan kepuasan sebagai perantara dalam hubungan antara (i) kualiti perkhidmatan, (ii) sifat fizikal Islam, (iii) emosi dan (iv) Sifat bukan fizikal Islam dengan niat perlakuan. Hasil dapatan ini menyumbang kepada teori tingkah laku pengguna dengan meneliti niat perlakuan pelancong yang beragama Islam, dalam konteks Hotel Mesra Muslim. Dari aspek implikasi praktikal, hasil dapatan ini juga dapat membantu pemarkas dan penyedia pelancongan dalam mewujudkan dan memajukan produk pelancongan dan perkhidmatan berasaskan Islam dengan memenuhi keperluan pelancong Muslim.

Keywords: *Hotel Mesra Muslim, Pelancong Muslim, Perspesi Nilai, Kepuasan.*

Introduction

The development of Muslim tourists' market is very significant and can no longer be ignored by decision makers in the international tourism market. Hence, there is a need for tourism providers in Malaysia to be sensitive toward the needs of Muslim tourists, particularly in relation to religious practices. The increasing trend in the demand for product and services that adhere to Islamic principles has encouraged industry players to tap into this lucrative market by providing more Muslim-friendly services and products such as Halal food or Muslim-friendly facilities, Muslim tour packages, and Muslim-friendly services in hotels. Realising the demand for Muslim-friendly packages, there is now an increasing number of travel agencies that have started to develop Muslim packages in Malaysia and even outside of Malaysia. The accommodation sector is one of the sectors that have been affected by this Halal revolution, triggering the establishment of the Muslim-Friendly Hotel (MFH).

Despite the fact that some scholars have attempted to explore the practice of MFH in Malaysia (Salleh et al., 2014), empirical research towards an in-depth understanding of the concept of perceived value from the perspective of Muslim customers is still in its

infancy. In fact, the consumption experience in the service industry is very subjective, thus every customer values differently, depending on religious beliefs (Bolton and Drew 1991; Havlena and Holbrook 1986; Jayanti and Ghosh 1996; Sweeney and Soutar 2001 ; Eid & El-Gohary, 2014).

This study will contribute to the recent and ongoing debate on whether the MFH concept is a satisfactory option for Muslim tourists, who demand Halal products and services. Many views have been generated by this debate, there has been a lack of empirical studies that examine this new tourist market segment in Malaysia. Besides, there are limited comprehensive studies on Muslim friendly hotel practices in the Malaysian hospitality industry despite the growing demand of the Halal market (Salleh et al., 2014; Zailani, Omar & Kopeng, 2011). This study is also appropriate and timely in view of the government's efforts to establish Malaysia as a global hub for Halal products and services for Muslim tourists on a global scale.

Literature Value

Muslim Friendly Hotel

The basic concept of Muslim-Friendly Hotels was initially founded in Saudi Arabia and Kuwait. The increase in Muslim travelers from this region influenced the potential growth of the concept (Stephenson et al., 2010). Several researchers have identified a few factors that contribute to the expansion of Muslim-Friendly hotels. According to Henderson (2010), the increased effort in promoting tourism development among OIC (Organisation of Islamic Cooperation) countries has led to the rapid growth of local and international tourism. For example, Turkey (an OIC member country) was ranked the top-10 most visited destination in the world in 2015 (UNWTO, 2017).

The concept of a Muslim-Friendly hotel is based on acknowledging religious attributes in tangible forms of hospitality (Stephenson, 2014). Previous studies have used the terms of Muslim friendly as a ‘Sharia compliant’ (Che Ahmat et al., 2015). The terms of ‘Muslim Friendly’ is used in order to welcome Muslim guest and to provide a warm hospitality by facilitating them according to their religious requirements (Battour & Ismail, 2016). Other than that, the terms of ‘Muslim friendly’ represent the multi religious, races and culture of Malaysia. (Islamic Tourism Centre of Malaysia, 2016).

Many scholars agree that religious attributes are an important aspect that needs to be considered in destination attractions and hotels (Weidenfeld, 2005). Muslim-Friendly hotels cater to Muslim needs by providing a Qiblah indicator, a Quran, a prayer mat, and prayer rooms in the hotel. These hotels also provide Halal food, and remove any sort of symbol prohibited in Islam (Stephenson, 2010; Din, 1989). Furthermore, the hotel should also provide information about nearby mosques, a praying schedule, and nearby Halal food restaurants, etc. (Din, 1989; Henderson, 2003).

Stephenson (2014) added that MFH must deliver its products and services according to Islamic principles, including its cosmetics and toiletries, which must contain Halal products that are free from forbidden animal extracts. The MFH creates a Halal environment, which gives a safe and healthy living environment during the stay of its guests. In addition, the financial operation of the MFH must also be compliant with Shariah regulations, where a portion of the revenue must be contributed as Zakat (charitable acts) (Samori & Rahman, 2013; Stephenson, 2014). In Malaysia, MFH is divided into three types, which cover the most to the least extensive Islamic values provided by the hotels (Salleh et al., 2014; Samori, Salleh and Khaled, 2016). Table 1 outlines the categories of MFH available in Malaysia.

Table 1: Categories of MFH available in Malaysia

Type	Muslim-Friendly services
Basic	Basic Halal food, no alcohol, Qiblah signage, prayer mat, bidet in the room
Intermediate	Separate recreational facilities for male and female, a prayer room, no adult entertainment, prayer time, Mosque location
Extensive	Zakat counter, Islamic-related brochures, classes, Azan (call to prayer) at floor level, Islamic tourism packages

Source: Salleh et al. (2014) and Samori et al. (2016)

Tourism and hospitality providers need to be more dynamic in offering products and services in order to cater to the needs of Muslim tourists. MFH would be able to play a major role in the tourism industry by catering to the specific needs of Muslim travellers. Hence, the level of satisfaction of Muslim tourists depends on the extent of Muslim-friendly services provided by hoteliers.

The Relationship between Satisfaction and Perceived Value

The concept of perceived value and satisfaction has been researched for several decades, but there is still confusion among researchers and practitioners as to whether they are actually of the same construct. Because of this, Woodruff and Gardial (1996) defined perceived value as the relationship between consumer and products or services. Consumer satisfaction can also be described as the consumer reaction resulting from a particular product or service. Most researchers believe that perceived value is a different construct from satisfaction because perceived value can exist at different stages of the purchasing process, but satisfaction is a reaction to the value received. In other words, perceived value can be generated without experience or without the customer using the particular product or service, whereas satisfaction depends on the customer’s experience of the product or services (Woodruff, 1997).

Patterson and Spreng (1997) described perceived value as a cognitive construct, where there is a discrepancy between expectation and perceived performance. In contrast, satisfaction mainly refers to affective evaluative response (Oliver, 1996). The relationship between value and satisfaction has been widely discussed in the marketing literature. Previous studies have highlighted relevant empirical evidence of the relationship between value and satisfaction (Bajs, 2015; Jamal et al., 2011; Cronin et al., 2000; Eggert & Ulaga, 2002; Wang et al., 2004). However, Bolton and

Drew (1991) discovered that service quality is a key determinant in customer retention. Moreover, Whittaker *et al.*,(2007) argued that the relationship between perceived value and satisfaction has a weak impact on behavioural intention. Therefore, this study aims to confirm the uncertain view on the relationship between perceived value and satisfaction. In agreement with Woodruff and Gardial (1996), perceived value in this study refers to the nature of the relationship between the hotel customer and the product or service offered, while satisfaction describes the tourist reaction to the value perceived from the hotel service experience.

Methodology

Survey was made on 386 Muslim tourists who have experienced the services provided from the selected Muslim-friendly hotels in Malaysia. Furthermore, the survey was used to examine functional, affective, and Islamic aspect of value. Partial Least Square algorithm (PLS-SEM), with the aid of Smart PLS software, was used to test and validate the reliability of the scales. This study applies a Proportionate Stratified sampling method in order to obtain the generalization of the results.

Result

Descriptive Analysis

From Table 4.1, it can be observed that the sample has relatively more female respondents (53.9%) with the remaining being male respondents (46.1%). Malaysians made up the largest group of respondents (87.8%) while respondents from other countries represented 12.2% of the total respondents. The average length of stay for the majority of the respondents was between one and three nights (88%). As for age, the statistics indicate that the 30-to-39 year-olds made up the largest number of respondents (50%). This was followed by respondents in the 20 to 29 years old category (31.05%), those in their 40s (14.5%), and those over 50 years old (7.8%). In terms of travel companion, the majority of the guests stayed at Muslim-Friendly Hotels with family members (42.2%). The accompanying parties were likely to be family members. This was followed by 31.9% of the guests that came with their spouse, and the remaining that came with friends (13.5%) and alone (12.4%). The statistical results also indicate that most of the hotel guests stayed at the Muslim-Friendly Hotel for holiday purposes, making up the biggest and most significant group (240 tourists). This group contributed to 62.2% of the total number of respondents. The second largest group was travelers for official missions, which consisted of 57 persons and represented 14.8% of the

overall respondents. On the other hand, 47 respondents or 12.2% of the respondents selected visiting friends and relatives as their major purpose for staying at the hotel. Lastly, business conference groups contributed 10.9% of the total respondents or 42 respondents.

Table 2 : Profile of respondents

Description	Frequency	Percentage (%)
Gender		
Male	178	46.1
Female	208	53.9
Country of Origin		
Malaysia	335	86.8
Others	51	13.2
Length of Stay		
1-3 nights	20	39.2
4-6 nights	18	35.3
1-2 weeks	10	19.6
More than 2 weeks	3	5.9
Age		
20-29 years	102	26.4
30-39 years	193	50.0
40-49 years	56	14.5
50-59 years	28	7.3
60 years and above	7	1.8
Travel Party		
Alone	48	12.4
Spouse	123	31.9
Family Members	163	42.2
Friends	52	13.5
Purpose Of Stay		
Holiday	240	62.2
VFR	47	12.2
Business Conference	42	10.9

Official Mission	57	14.7
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H7a Satisfaction has a positive relationship with intention to purchase	0.472	0.472	7.350	Supported
H7b Satisfaction has a positive relationship with intention to recommend	0.24	0.059	4.044	Supported

Hypotheses Testing

In testing the hypotheses of this study, the critical ratio associated with each parameter was examined. The process involved inspecting whether the path coefficients were significant and in the hypothesized direction. The hypotheses outlined in this study suggest that the model has six dimensions of perceived value in a Muslim-Friendly Hotel. Thus, visitors will aggregate their perceptions of value of the six dimensions, which, in turn will influence the satisfaction value. Perceived value has an impact on future behavioral intentions, with visitor overall satisfaction mediating the relationship. As suggested by Hair *et al.* (2011) and Chin (1998), a bootstrapping method (5000 resamples) was executed to calculate the path estimates and t-statistics to determine the significance of the hypothesized relationships: either to accept the null hypotheses or to accept alternate hypotheses by rejecting the null. In other words, bootstrapping enables the statistical testing of the hypothesis, either a coefficient equals zero (null hypothesis), or the alternative hypothesis is that the coefficient does not equal zero (two-tailed test).

Table 3: Summarized Results for Direct Relationship

Hypothesis Tested	Std. Beta	Std. Error	t-value	Decisions
H1 Service quality has a positive relationship with satisfaction	0.191	0.065	2.950	Supported
H2 Price has a positive relationship with satisfaction	-0.031	0.063	0.498	Not Supported
H3 Social value has a positive relationship with satisfaction	-0.003	0.062	0.057	Not Supported
H4 Emotional value has a positive relationship with satisfaction	0.178	0.087	2.039	Supported
H5 Islamic physical attribute has a positive relationship with satisfaction	0.183	0.069	2.648	Supported
H6 Islamic Non-Physical Attribute has a positive relationship with satisfaction	0.134	0.059	2.287	Supported

The direct relationship demonstrated that 6 out of 8 hypotheses showed significant effects. The verdict indicates four perceived values—service quality, emotional value, Islamic physical attribute and Islamic non-physical attribute—were significant to Muslim customer satisfaction. In addition, the relationship between satisfaction and intention to purchase and also the relationship between satisfaction and intention to recommend were also found to be significant.

Conclusions and Discussions

In regard to business implications, the findings of the present study confirmed the importance of different dimensions of perceived value on Muslim customers satisfaction and behaviour. In particular, based on the finding of this study, service quality, Islamic physical attributes, emotional and Islamic non physical attributes are the important elements that are directly affect satisfaction of Muslim tourist in staying MFH. Therefore, managing and marketing these four value dimensions is critical to create a favourable value. In Apart from that, the importance of these dimensions further explained that tourism and hospitality companies as well as other tourism institutions will have a better understanding on the different factors that affect the satisfaction of Muslim tourist.

The results of the current research particularly suggested that the value perceptions of Muslim tourists is not only dependent on the functional and affective aspects, but also concerns the Islamic values. Eid and El-Gohary (2015) further noted Islamic value as an important element in impressing Muslim hotel guest, which will subsequently influence their decision-making. More importantly, this finding provides significant implications on tourism and hospitality companies because it managed to identify Islamic value dimensions as one of the main sources of values. As a result, it is highly recommended for hotel providers to emphasize on values, particularly by providing Muslim friendly facilities and services such as halal food, Muslim prayer facilities, Islamic entertainment as well as practices of good manners or Akhlaq. In this case, these initiatives are deemed necessary in increasing the satisfaction of Muslim tourists and improving the retention rate (Eid & El-Gohary, 2015).

Furthermore, the results of the present study also demonstrated the importance of Islamic attributes value on the willingness of Muslim consumers to purchase tourism products that are normally considered as functionally and affectively oriented. According to Countryman and Jang (2006), hotel ambiance is an important element in influencing the decision of the hotel guest. Hence, it is recommended for hotels to display Islamic quotation as decoration in lobbies, rooms, and at restaurant in order to enhance Islamic values in MFH physical setting. More importantly, it is also believed to improve the service quality of the hotel as well as create favourable impression related to the ambiance of MFH, which further demonstrates the hotel appreciation of Islamic values. Therefore, this will eventually assist hotel providers to enhance their chance of becoming the preferred choice among Muslim tourists.

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