

## **RESEARCH ARTICLE**

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# HALAL TOURISM IN MALAYSIA: ITS DEVELOPMENT AND STRATEGY

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## Abstract

The purpose of this research is to analyze the development and strategy of halal tourism in Malaysia. This research approach is descriptive qualitative. The object of this research is Malaysia. The main data source of this research is information on the results of literature and documentaries on the development of Malaysian halal tourism. Data collection methods in this study include interviews and documentation. The validity of this research data uses source triangulation. The data analysis technique used in this study is an interactive method. The results of this study concluded that Malaysia's halal tourism has proven to be ranked first in the Global Muslim Travel Index. Malaysia as one of the countries in ASEAN is considered successful in utilizing halal tourism. The key factor for Muslim tourists choosing halal tourist destinations in Malaysia is that the destinations are Muslim-friendly. There are three potential strengths for Malaysia in developing halal tourism in Malaysia. First, the potential wealth and diversity of national tourism resources. Second, the attention and positive attitude of the Malaysian people towards the development of halal tourism. Third, Malaysia's position as a destination country for halal tourism investment. The strategy that has been carried out by Malaysia to advance halal tourism destinations in the country is first, promotion and marketing, including brand building, communication strategy, and sales. Second, the development of destinations consisting of attractions, construction of facilities, and access to supporting locations. Third, institutions, entrepreneurs, industry players, and training workshops.

Keywords: Development, strategy, halal tourism, and Malaysia.

#### Introduction

Halal tourism in Malaysia is increasingly in demand (Battour et al., 2011). One of the countries that have successfully developed halal tourism is Malaysia, a multicultural country consisting of three major cultures namely Malaysia, Chinese, and India (Mustafa, 2019). Islam is the official religion in Malaysia while other religions such as Buddhism, Hinduism, and Christianity are still welcomed by its residents (Pasli, 2021). Malaysia implements regulations that comply with Islamic law and are accepted by both Muslim and non-Muslim citizens (Battour & Ismail, 2016).

Malaysia is one of the countries in ASEAN which is considered successful in utilizing halal tourism. Currently, Malaysia is ranked first in the 2019 Global Muslim Travel Index (GMTI, 2021). Tourism is the second largest revenue-generating sector in Malaysia. At first, the Malaysian state tried to attract tourists from the Middle East. But after the events of September 11, Malaysia shifted its focus to profit through the Muslim market sector. The September 11, 2001, or September 11 attacks or the 9/11 attacks were a series of four orchestrated suicide attacks against targets in New York City and Washington, D.C. United States on September 11, 2001. That morning, 19 hijackers from the Islamic militant group, al-Qaeda, hijacked four passenger jets. Since the September 11 tragedy, Malaysia has become the biggest destination for Muslim tourists. The Islamic Tourism Center noted in 2015 that this was due to strict rules in Western countries for Muslim tourists which made tourists divert their travel destinations to Eastern countries (Hidayat et al., 2021).

The Muslim tourist market in Malaysia has shown improvement and growth since 2001 (Chin Chiu et al., 2017). This increase and growth are the results of active promotion by the Malaysian government (Duman, 2011). The promotion succeeded in attracting Muslim tourists, especially from the Middle East. Thanks to the promotion carried out by the government, the Malaysian capital, Kuala Lumpur, has become a popular city among Middle Eastern tourists and is considered a desirable honeymoon destination. The arrival of Middle East tourists also generates profits in the Malaysian market due to their luxury shopping patterns. The efforts of the Malaysian government to satisfy Middle Eastern tourists by increasing the services needed are implemented as much as possible (Ayob & Saiyed, 2020).

Malaysia is planning "The Halal Master Plan" with a target of 13 years which includes three phases. The first phase was from 2008 to 2010 when Malaysia developed as a world center in terms of halal integrity and prepared for industrial growth. The second phase, from 2011 to 2015, made Malaysia one of the preferred locations for halal business, and the third phase, from 2016 to 2020, Malaysia expanded the geographic footprint of domestically grown halal companies. In 2008, Malaysia was listed as one of the well-known countries in the field of halal tourism. Unfortunately, several things are not following the concept of halal tourism (Zailani et al., 2016). In the master plan for halal tourism in Malaysia, free areas for gambling are still found. Alcohol is also still easy to find in hotels, restaurants and public places, salons, and spas that do not separate men and women (Abas et al., 2017). There are also room locations that do not separate married and unmarried couples, entertainment that displays non-Syar'i shows, websites that display more culture and customs as well as shopping and entertainment facilities that are not related to religion (Musa, 2023). Despite its shortcomings, Euromonitor International identified Kuala Lumpur as one of the Top 100 City Destinations (Yusof, NS, Ramli KI, 2016).

The UN World Tourism Organization (UNWTO, 2021) also placed Malaysia in 15th position in terms of tourist arrivals and 21st for tourism receipts last year (World Tourism Organization (UNWTO) and Global Tourism Economy Research Centre (GTERC), 2014). Several factors make the increase in tourists to Malaysia quite high. One factor is the increasing middle-income population, particularly in Asia. There are also lower inflation and shorter distance destinations. In the Economic Outlook 2020 report released by the Malaysian Ministry of Finance, the number of arrivals and receipts of tourists to Malaysia is expected to increase following the launch of Visit Malaysia 2020 or commonly abbreviated as VM2020.

The Economic Outlook 2020 estimates that there will be 28.1 million tourist arrivals to halal tourism in Malaysia and the total income of funds could reach RM 92.2 billion. These results are part of the master plan that has been projected for 2020. In line with VM2020, there is a need for the Malaysian state to increase flight frequency. This is a concern for air travel to long and medium-distance countries (Peristiwo, 2020). Malaysia also has a larger number of flight seats when transporting tourists to Malaysia. Unfortunately, the Economic Outlook report also notes that there is a high dependence on tourist arrivals from Singapore. These facts show the lack of new tourism products and limited air routes as well as concerns about safety and security in Malaysian tourism (Mohezar, 2017).

The growth of Malaysian halal tourism has increased so rapidly, that researchers are interested in analyzing what developments and strategies are used by Malaysia to advance halal tourism in their country.

## Methodology

Judging from the type of data the research approach used in this study is a qualitative approach. The type of this research approach is descriptive. The object of this research is Malaysia. The main data source of this research is information on the results of literature and documentaries on the development of Malaysian halal tourism.

Data collection methods used in this study include interviews and documentation. Interviews were conducted in-depth and unstructured to research subjects with guidelines that had been made. In this study, documentation was obtained from the archives of the activities of halal tourism stakeholders in Malaysia and their participation activities in the development of Malaysian halal tourism

In this study to obtain the validity of the data is done by triangulation. In fulfilling the validity of this research data triangulation was carried out with the source. Triangulation with sources was carried out in this study, namely comparing the results of interviews with the contents of documents related to the development of Malaysian halal tourism.

The data analysis technique used in this research is to use steps such as each stage in the process to obtain data validity by examining all existing data from various sources that have been obtained from the field and personal documents, official documents, pictures, photos, and so on. through interview method supported by documentation study.

## **Result and Discussion**

#### Malaysia's Support for Halal Tourism Entrepreneurs

The Muslim tourism market is expected to recover by 80 percent by 2023. Malaysian entrepreneurs in the halal tourism segment need to increase their understanding of the halal aspect so that they can identify unique selling points for their respective tourism products (Adinugraha & Sartika, 2019). This appeal and encouragement were conveyed by the Minister of Tourism, Arts, and Culture of Malaysia Datuk Seri Nancy Shukri. He said an understanding of the halal aspects would also give confidence that their products did not conflict with Islamic teachings. To attract more entrepreneurs to enter the halal tourism segment, he also encouraged cooperation between the Islamic Tourism Center and the Malaysian Standards Department in developing clear guidelines and standards related to halal tourism products and services (Vargas-Sánchez & Perano, 2017).

The aim is for those old and new entrepreneurs can continue to receive assistance, in addition to increasing the quality standards of halal tourism as well as the products they produce can also compete with other tourism products (Boğan & Sarıışık, 2019). The scope of halal tourism is very broad, covering Muslim-friendly products and services, hospitality, and accommodation (Adinugraha et al., 2020). However, venturing into this is still in its infancy. Therefore, it is necessary to open up these new business opportunities for entrepreneurs in Malaysia.

Venturing into a new business is important, considering that the 2021 GMTI predicts the number of Muslim tourists will reach 26 million by the end of the year if state and international borders open (Adinugraha & Sartika, 2022). The same report also predicts that the Muslim tourism market will recover by 80 percent in 2023. Looking at the performance of halal tourism in contributing to post-Covid-19 economic growth, indirectly shows that there are already big economic opportunities for entrepreneurs and young people to penetrate the Muslim market segment. Malaysian halal tourism market (Widiasih et al., 2020).

In 2019, before the pandemic, there were 5.3 million Muslim tourist arrivals in Malaysia which spent a total of 16.72 billion ringgit. This is why Malaysia was recognized as the best country in the Muslim-Friendly Tourism sector since 2011 by Dinar Standard (a US company that tracks Muslim lifestyles in the market) and Crescent Rating (a Singapore-based halal travel specialist company) (Dinar Standard, 2021).

#### **Development of Malaysian Halal Tourism**

Malaysia's tourism ranks first in the Global Muslim Travel Index. Malaysia as one of the countries in ASEAN is considered successful in utilizing halal tourism. Euromonitor International has also identified Kuala Lumpur as one of the Top 100 City Destinations. In addition, the United Nations World Tourism Organization (World Tourism Organization [UNWTO], 2019)ranked Malaysia 15th in terms of tourist arrivals, and 21st for tourism receipts last year.

There are several factors why the increase in tourists to Malaysia is quite high. Among these is the increasing middle-income population, particularly in Asia. Then lower inflation and short-distance goals. According to the Economic Outlook 2020 report released by the Malaysian Ministry of Finance recently. The number of arrivals and admissions of tourists to Malaysia is expected to increase following the launch of Visit Malaysia 2020 (Rwengabo, 2020).

Where this estimate can reach 28.1 million tourist arrivals, and the total income of funds can reach RM 92.2 billion. It certainly has been projected for this year. Even further, in line with VM2020, there is a need for Malaysia to increase flight frequency. Where this is a concern for air travel to long and medium-distance countries, to have more flight seats when transporting tourists to Malaysia. Nevertheless, the report notes that there is a high dependence on tourist arrivals from Singapore. These facts show the lack of new tourism products and limited air routes as well as concerns about safety and security in Malaysian tourism (Abas et al., 2017).

Malaysia is ranked first in the world's best halal tourist destination for 2022. This is based on the GMTI report released in June 2022. Referring to GMTI in the CrescentRating survey which was held September-November 2021, the key factor for Muslim travelers is choosing their tourist destinations based on Muslim-friendly destinations (Sholehuddin et al., 2021). For example related to the existence of mosque facilities, halal food, prices, cleanliness of accommodation, availability of transportation, public facilities, culture, and language. GMTI criteria for Halal Tourism GMTI uses several criteria to assess the halal tourism index or halal tourist destinations in the world.

#### Malaysia Halal Tourism Development Strategy

In developing the potential for halal tourism in developing halal tourism in Malaysia, there are three potentials as well as strengths for Malaysia that can be developed (Adinugraha et al., 2021). First, the potential comes from the wealth and diversity of national tourism resources. Second, the attention and positive attitude of the community towards the development of halal tourism. Third, Malaysia's position as a destination for halal tourism investment, considering that Malaysia is a Muslim-majority country (Jailani & Adinugraha, 2022).

It should be acknowledged that there are still problems on the other hand that still need to be improved such as safety and inbound economy to be able to carry out special interest tourism such as halal tourism. Malaysia is trying to change its strategy, from quantity tourism to quality tourism. Halal tourism does not only depend on the number of tourists, but on the length of stay and spending. Many things must be worked on and improved to change the attractiveness of experience-oriented halal tourism products. Destination management must be more creative and serious so that halal tourism and Muslim-friendly tourism can be of higher quality in Malaysia (Aziz, 2018).

As a country with the largest Muslim population in the world, Malaysia has become a pioneer in the development of the world's halal tourism business. The halal tourism business in Malaysia has been proven to bring in as much as or as much as US\$15 billion in foreign exchange. The Malaysian government has carried out several strategies to increase the acceptance of foreign Muslim tourists so that the target of foreign tourists and local tourists is achieved (Dabphet, 2021).

Within that framework, there are three things to focus on. First, promotion and marketing, including brand building, communication strategy, and sales. Second, the development of destinations consisting of attractions, construction of facilities, and access to supporting locations. Third, institutions, entrepreneurs, industry players, and training workshops. This is done so that they understand how to serve tourists more professionally (Battour & Ismail, 2016). Currently, the Malaysian government has determined the localization and zoning of halal tourism development destinations (Battour, 2018). Malaysia is the only Islamically formed country that is Kaffah. Many positive things can be developed as the world's best halal cultural destination that tourists can enjoy and visit.

Malaysia has collaborated with all Provincial Governments in their country to find out what types of tourism can be developed. The Malaysian government has prepared a framework and built cooperation with related agencies. The obstacles faced by the Malaysian government are facilities that are still limited, however, this is not an obstacle to building a halal tourism business in Malaysia (Cuevas, 2022).

The steps taken include serving Middle Eastern dishes on restaurant menus and creating multi-language tourist information brochures, providing Arabic-written signboards, then hiring Arabic-speaking workers or staff in hotels and travel complexes. Halal food is one of the important elements that contribute to the choice of Muslim tourists coming from overseas Malaysia (Purwanto et al., 2020). In 2010, Malaysia started setting high halal standards in restaurants and hotels to satisfy Muslim tourists by encouraging hotels and restaurants to obtain halal certificates at least for public restaurants (Fadholi et al., 2020). Even so, trying to provide halal food is not a big challenge in Malaysia. This is based on the fact that 60 percent of the population is Muslim. This fact allows tourists to easily find halal food available at street stalls. Currently, many hotels in Malaysia already have halal certificates.

Halal certificates that have been obtained are used as part of hotel promotions on behalf of Sharia hotels which mean halal food, no alcohol, no pork, and no discotheques (Puspa & Hyangsewu, 2021). In 2021, there will be 273 3 to 5-star hotels that are halal-certified in Malaysia. Meanwhile, there are 53 hotels with 1 and 2-star stars that have halal certificates. The efforts that have been made by the Malaysian government have made the country rank first in the world halal tourism index issued by the Mastercard-Cresent Rating index agency with the highest index score of 80.6. Malaysia is trying to become a center for world halal tourism. One way is to make rules not to allow tourists to carry out activities that are contrary to Islam. Shafaei and Mohamed in Malaysia's Branding as an Islamic Tourism (2015) explain some of the prohibitions imposed in Malaysia are as follows: Drinking alcohol, wearing mini clothes, sunbathing in minimal clothing, and not serving pork, especially in restaurants where located in the halal tourism area of Malaysia.

#### **Conclusion and further research**

The results of this study concluded that Malaysia's halal tourism has proven to be ranked first in the Global Muslim Travel Index. Malaysia as one of the countries in ASEAN is considered successful in utilizing halal tourism.

The key factor for Muslim tourists choosing halal tourist destinations in Malaysia is that the destinations are Muslim-friendly. There are three potential strengths for Malaysia in developing halal tourism in Malaysia. First, the potential wealth and diversity of national tourism resources. Second, the attention and positive attitude of the Malaysian people towards the development of halal tourism. Third, Malaysia's position as a destination country for halal tourism investment. The strategy that has been carried out by Malaysia to advance halal tourism destinations in its country is first, promotion and marketing, including brand building, communication strategy, and sales. Second, the development of destinations consisting of attractions, construction of facilities, and access to supporting locations. Third, institutions, entrepreneurs, industry players, and training workshops.

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