

Exploring The Role of Halal Certification for Tourism Industry in Aceh

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Abstract

The growing demand for halal goods and services from both domestic and international customers has prompted Aceh's hotels and other service providers to plan their marketing strategies to penetrate the halal market. In Aceh, hoteliers have responded to the growing demand for halal goods and services by offering Shariah Compliant Hotel to satisfy the needs of Muslim travellers. This study aims at investigating the perception of halal certification among tourism stakeholders in Aceh towards the implementation of Shariah compliant hotel. This study applied the diffusion of innovation theory as a guidance and used the qualitative approach through in-depth interview of tourism stakeholders. The study revealed that halal certification is essential as a standard for Aceh as a Shariah province and that halal tourism is an innovative concept to preserve Islamic teaching in the tourism business. Academically, this study adds to the existing literatures on service innovation and Shariah Compliant Hotel.

Key words: *Halal Certification, Halal Tourism, Shariah Compliant Hotel, Muslim Travelers*

Introduction

The tourism industry has started to grasp up and address the distinct needs of Muslim travelers, it has been observed there is a growing interest in a new tourism concept especially among Muslim travelers such as halal tourism. Halal tourism is clearly one of the fastest growing segments with Muslim travelers demanding destinations that meet their requirements particularly in terms of diet, dress, and rituals.

The increasing trend of the arrival of Muslim travelers becoming Muslim countries popular destinations for Muslim travelers. The increasing trend was also contributed by the number of Muslim populations globally which is expected to be increased from 1.6 billion

in 2010 to 2.2 billion by 2030 or 26.4 percent of the total world population (Economist, 2018).

The growth of Muslim travelers and the increasing trend of Muslim countries destinations, it is very important to develop tourism products according to Islamic principles which is known as Halal tourism and it is one of the important sectors that significantly affects the destinations' economy. Halal tourism is seen as a new expansion in tourism development to cater to the Muslim requirements while traveling, and Shariah Compliant Hotel is one of the products which may be developed to cater to this growing market. Therefore, this study focuses on the application of halal certification for Shariah Compliant Hotel in Muslim countries especially in Aceh as a Shariah province. The study will provide an understanding regarding the needs of halal certification in hotel industry.

Literature Review

Halal Tourism Definition

The term Halal Tourism and Islamic Tourism are still a challenge to identify the right terminologies and there is a confusion regarding the two-term due to the multidisciplinary scope of the subject matter. Battour and Ismail (2015) confirmed that the researchers are often used interchangeably between the two concepts in conceptual and empirical papers.

The definition of tourism is defined in varies sources. There is no consensus concerning the definition of tourism. The first definition of tourism was made by Guyer and Feuler in 1905 (as cited in Esen and Uyar, 2018) that defined tourism as "a phenomenon unique to modern time which is dependent on the people's increasing need for a change and relaxing, the wish of recognizing the beauties of nature and art and the belief that nature gives happiness to human beings and which helps nations and communities' approaching to each other thanks to developments in commerce and industry and the communication and transportation tools' becoming excellent". While another definition was

presented by an Australian economist Herman Van Sehullard in 1910, he described that “tourism is the sum total of operator, mainly of an economic nature, which directly relates to the country, stay and movement of foreigners inside and outside a certain country, city or region” (Vencovska, 2019).

Nowadays, generally adopted for definition of tourism that is proposed by the World Tourism Organization (WTO), which defines tourism as “the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purpose not related to exercise of an activity remunerated from within the place visited” (UNWTO, 2018). Meanwhile, In Indonesia law also define tourism as a journey activity that performed by a person or a group of people to visit particular place for recreation purpose, self-development, or to learn the unique tourism environment in a period of time (Indonesia Act Number 10 Year 2018).

The literature of tourism has been exhaustively published the relationship between tourism and religion. However, there remains a lack of theoretical publications in the area of tourism in the context of Islam (Battour, Ismail and Battor, 2019). Duman (2017) explained that tourism is a complex phenomenon with such dimensions of sociological, behavioral, economic, political, cultural and environmental influencing every aspect of life in today’s societies and scientists need hard effort in drawing its borders. In accordance with Islam, the tourism industry is affected by Islam in regulation and rules (Namin, 2012). Islamic teaching and Shariah law are the foundation life of every Muslim. Moreover, in the country which has a Muslim majority population, society is ordered in conformity with the principles of Islamic law, which directly and indirectly affect recreation and travel (Zamani-Farahani and Henderson, 2018).

A number of tourism studies have been published, yet it seems that it is hard to make the same conclusion for studies related to tourism and its relationship with Islam (Duman, 2018). Some researchers have defined halal tourism in several meanings, Hassan (2014) stated that Islamic tourism means a new ethical dimension in tourism. It stands for values generally accepted as high standards of morality and decency. It also stands for the respect of local beliefs and traditions, as well as care for the environment. It represents a new outlook on life and society. It brings back values to the central stage in an age where consumerism is rife, and everything is available for use and abuse in the most selfish way. It also encourages understanding and dialogue between nations and civilizations and attempts to find out about the background of different societies and heritage. Meanwhile, Henderson (2018) explained halal tourism as all product development and marketing efforts designed for and directed at Muslim. Motivations are not always or entirely religious. Participants could be pursuing similar leisure experiences to non-Muslim, albeit within parameters set by Islam, and destinations are not necessarily locations where Shariah or full Islamic law is enacted. On the other hand, Carboni et al. (2016) mentioned that Islamic tourism is tourism in accordance with Islam, involving people of the Muslim faith who are interested in keeping with their personal religious habits whilst traveling. Likewise, Battour and Ismail (2018) defined that Halal tourism is any tourism object or action which is permissible according to Islamic teachings to use or engage by Muslims in the tourism industry. To harmonize the understanding between Halal tourism and Islamic tourism, Organization of Islamic Cooperation (OIC) has determined as the activities of Muslim travelers who do not wish to compromise their faith-based needs while traveling for a purpose, which is permissible.

Shariah Compliant Hotel Definition

Shariah Compliant Hotel can be understood as a hotel that provides services in accordance with the Shariah principles (Shamim, 2019). The services of Shariah Compliant Hotel are not limited to serve halal food and drink but the operation throughout the hotel would also

be managed based on Shariah principles (Sahida, Suhaimi, Awang and Cheman, 2017).

According to Hanita, Zuraini, Fauziah and Syukri (2015) considered that the applications of Shariah Compliant Hotel service should cover operations, maintenance, and design of the hotel, they defined Shariah Compliant Hotel as a hotel where the services offered, and financial transactions are based on Shariah principles. Moreover, compliance is not restricted to serving halal food and beverages, it could be extended to be designed for health, safety, and economics that would benefit all mankind, regardless of race, faith or cultures.

The definition and adaptation for Shariah Compliant Hotel seem a little bit vague at this moment because hotel operators mostly are not really comprehending the concept even leads to miss interpretation. Ahmad Sahir Jais (2016) has given a brief definition based on hotel classification as illustrated in Table 1

| TYPE | DEFINITION |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Conventional Hotel | Hotel that provides full services. There is no segregation based on religious needs. Its management and operation don't need to comply with Shariah requirements. |
| Muslim Friendly Hotel | Hotel that complies with the needs of Muslim travelers but doesn't benchmark itself to certain legislation, law, and standards. For example, provide halal food and Muslim amenities in the room, but has entertainment outlet such as night club and separate bar services. |
| Dry Hotel | Hotel operation that does not sell alcohol throughout its premises. |
| Muslim Welcome | Hotel that offers Muslims in-room amenities such as prayer mats and qibla direction only. This kind of hotel classification is being used in Japan. |

Shariah Compliant Hotel that fulfills the needs of Muslim travelers in accordance with Shariah law. These hotels are usually benchmarked and adopting a certain standard, law, and legislation to be certified Shariah-compliant. Adopting total compliant towards Shariah needs according to Islamic teaching and practices throughout the management and operations.

Established Shariah Compliant Hotel Standard

Malaysia Standard

According to Islamic Tourism Centre, Malaysia's first standard dedicated to Islamic tourism is Muslim Friendly Hospitality Service (MS2610:2015) that was officially published in January 2015. The process begun with the original submission to develop the standard in December 2012 that initiated and led by International Institute for Halal Research and Training (INHART) of International Islamic University Malaysia (IIUM) to the Department of Standard Malaysia (DSM) and followed by the appointment of Scientific and Industrial Research Institute of Malaysia (SIRIM) as the standard's secretariat by DSM then to form the Technical Committee. Finally, in January 2015, the standard was officially published as "MS2610:2015 – Muslim Friendly Hospitality Services - Requirements". However, since there is no regulation in Malaysia that governs the Islamic tourism sector, the use and adoption of Muslim Friendly Hospitality Services is solely on a voluntary basis with SIRIM to be the sole assessor and certification bodies.

Turkey Standard

Along with the development of Halal tourism and the increasing number of Muslim visitors, both the Ministry of Culture and Tourism assisted by the Turkish Standard Institution (TSE) are working together on developing Turkey's Muslim Friendly Tourism. On the other hand, like an answer in response to demand from the hotelier,

TSE launched its first standard dedicated to Muslim Friendly Tourism is Halal Management System – Hotels Standard (TS:13683). The development of the standard was started at the end of 2013 with the help of academic consultation committee from different universities, after two and a half years of preparation the standard was finally launched in February 2016.

Indonesia Standard

The development of halal tourism in Indonesia is not in line with regulations development which is there has been no regulation that regulating halal tourism. Even though there has been a government regulation Number 2 Year 2014 concerning the guideline for implementing Shariah Compliant Hotel, but the regulation was revoked by a government regulation Number 11 Year 2016. To fill the legal vacuum, National Shariah Board – Indonesian Council of Ulama (Dewan Syariah Nasional–Majelis Ulama Indonesia - DSN-MUI) issued a fatwa that will directive tourism activities based on Shariah-compliant in 2016. However, the fatwa will not be effective until it is in the form of a law or government regulation.

Crescent Rating Standard

Crescent Rating Standard was formed in 2018 as the world's leading authority on Halal-friendly travel along with the world's first travel portal for Muslim traveler as well as the world's first rating system to rate services for Muslim/Halal friendliness. Crescent Rating is a private entity that develops the standard as part of a larger Muslim travel product portfolio including apps, a travel portal, consulting services, and travel data. The standard has been adopted by hotels in several countries on a voluntary basis since the process is simple by allowing hotels to self-evaluate without an on-site audit.

Salam Standard

Salam Standard was introduced by Lagisatu travel based in Malaysia as an independent halal certification body for accommodation that was launched in 2015. Since the standard is relatively easy to measure and solely on a voluntary basis, the adoption of the standard become worldwide and there are no inspections of the hotel to verify the level services provided, the standard rating relies mainly on hotel's self-evaluations.

Research Methodology

The qualitative research methodology was used in order to achieve the objectives of this study as well as to understand the interrelationships and interactions between different communities in Aceh within the context of Shariah. The used of the qualitative method as an exploratory approach will expose the insightful dimensions of new information into complex relations. Moreover, this research is aiming to study the in-depth understanding of halal certification and its implementation through opinions and experiences from participants, rather than to test the measurement and hypothesis.

For the purpose of this study, the qualitative approach has been deployed because it allows researcher to examine and explain the phenomena of Aceh as Shariah province towards halal tourism destination, where Shariah law was fundamental elements that administer in all aspects including tourism, the problem, however, there was no legal standard that regulates the hotel specifically to have halal certification. The main purpose was to identify the perception of participants from different backgrounds in regard to the halal certification in the hotel industry.

Finding and Discussion

The findings show that the current phenomenon of the halal industry is the growing demand for tourism services that compliance with Islamic teaching which has been described as halal tourism. Halal tourism is one of the new phenomena in the halal industry which

develops awareness among Muslim travelers to adhere to Shariah obligation while traveling as well as encourage them to observe Islamic behavior in daily life. Through the perceptions and understanding of halal tourism among participants has contributed to the following concepts of halal tourism; 1) develop awareness among Muslim travelers to consume halal products and services; 2) cater Muslim demand to adhere to Shariah obligation while traveling and 3) preserving and encouraging Muslim travelers to observe Islamic behavior.

The revolution of halal tourism along with the significant size of Muslim consumers has been growing awareness and high demand to consume halal products and services among Muslim travelers around the world. The concepts of halal tourism have been developed Muslim travelers become sensitive to consume halal products and services which are in accordance with Shariah principles in the time of traveling. Halal tourism is also seen as a new expansion in tourism development in order to cater the Muslim requirements while traveling and could be developed based on Shariah principles, notably in according to the Muslim faith which must perform the Shariah obligation everywhere even in the time of traveling or otherwise it is emerging as a sin, and halal tourism is an approach to facilitate the needs of Muslim travelers to perform Shariah obligation while traveling.

The implication of halal tourism results in the preference of the concept in preserving and encouraging Muslim travelers to become sensitive to behave based on Islamic teaching, specifically to consume halal products and services while traveling. By its nature, in conformance with the Muslim responsibility which has a duty to perform prayer five times a day as religious routine and a Muslim should consume halal foods not only during traveling but also in daily life. The participant highlights the association between halal tourism and the implementation of its concept as follow:

“Halal tourism is a concept which will preserve and encourage Muslims to always behave based on Islamic behavior especially in consuming halal products and services in daily life as well as halal tourism will encourage travelers during traveling to always searching halal products and services as an obligation in Islamic teaching. And here (in Aceh) we always promote a motto for travelers which is clean is not necessarily better, but halal is definitely the best”.

The above discussion shows that halal tourism is a new innovative concept in tourism development and halal industry as a relation between tourism and religion to appreciate the wonder of the world in future trends, which then halal tourism can be defined as “traveling activities to any tourism places without compromise Islamic faith-based needs which are permissible in Islamic teaching for a purpose outside of usual environment”.

The study also discover that halal hotel certification is important to implement even though Aceh is the only province of Indonesia to perform Shariah law. There are some factors which lead to enforce halal hotel certification in Aceh; firstly is the encouragement from internal factor, and secondly is a demand from the external factor.

The encouragement from the internal factor that the enforcement of halal hotel certification will strengthen the effectuation of Shariah law in Aceh where halal certification in the hotel industry is a form of Shariah law implementation in the tourism industry. Hence, the application of halal hotel certification will, directly and indirectly, affect in strengthening existing Shariah law (Aceh Qanun) related to tourism development as well as it will lead to avoid violation against Aceh Qanun in hotel industry, such Aceh Qanun that related to halal hotel certification are Qanun Number 12 Year 2003, Qanun Number 13 Year 2003, Qanun Number 14 Year 2003, Qanun Number 10 Year 2007, Qanun Number 8 Year 2013, and Qanun Number 8 Year 2016. The importance of halal certification could be implemented as an instrument to advertise halal hotel in marketing strategy where the

halal hotel would convince the guests in consuming halal foods and hotel services as well as halal hotel prefer to offer satisfaction for guests during their stay and will give trustworthiness for them to return visit.

Furthermore, the demand from the external factor where the current trend in the hotel industry among Muslim travelers are looking for halal hotel certification while traveling. Aceh declared as a halal destination but there is no standard regarding halal hotel certification because halal destination should be translated into practice such as halal hotel certification that based on the standard established. The existence of halal hotel certification serving as a new brand of marketing strategy that shown quality signals to travelers indicating halal hotel establishment has the services to cater to their requirements as Muslims to observe Islamic obligation. The availability of halal certification would convince travelers in consuming halal foods and services and provided satisfaction during their stay, at last, it would invite credibility for them to return visit. This is due to the fact that halal certification played a significant role in destination advertising as it happened when Aceh rewarded as the world's best halal cultural destination.

Another reason is to avoid bad perception among travelers regarding Shariah law implementation in Aceh based on hotelier practice from one to another hotel, the establishment of halal hotel standard is very important to standardized hotel management system and daily operation observe to shariah law, at the same time to avoid different practice among hotelier as well as to eliminate self-claim of halal hotel without proper understanding the concept and standard. This can be seen through the statement from a participant where he said that:

“To have halal certification is very important to standardize the hotel on how to operate as Shariah Compliant Hotel not different from one to another among hoteliers. That is right Aceh already regulated with Shariah law, however, there is no law yet particularly regulated the

hotel according to Shariah law. In this issue, halal certification becomes part of the implementation of Shariah law in the tourism industry, and it is important for the hotel to have halal certification. In order to apply halal certification for hotel, the implementation can follow the step of halal certification for the restaurant”.

The above phenomenon of halal certification in the hotel industry reflects the needs of halal certification standards within Islamic countries. This leads to the effectiveness of halal certification implementation in the country that enacted Shariah law. The perception mentioned is in line with the study carried out by COMCEC (2016) which compared the benefits of the conventional standard with Shariah standard. The study listed the benefits of conventional standard included assisting small and independent hotels in their positioning efforts, serving as both expectation indicators and quality assurance for guests, increasing destination attractiveness and guest satisfaction, facilitating comparability, adding credibility to hotel offerings, motivating staff, increasing hotel rates and margins, and being useful as a comparison tool for customers.

Conclusion

Halal tourism is viewed as positive activity that permitted by Shariah and International laws which defined as “the activities of persons traveling to and staying in places who do not wish to compromise their faith-based needs while traveling for a purpose, which is permissible, outside their usual environment for not more than one consecutive year for leisure, business and other purpose not related to exercise of an activity remunerated from within the place visited”. Furthermore, the halal revolution and the significant size of Muslim consumers have growing awareness and demand to consume halal products and services among Muslim travelers around the world with include Shariah Compliant Hotel. The definition and adaptation for Shariah Compliant Hotel seem a little bit vague at this moment because hotel operators mostly are not really comprehended about the concept

even leads to miss interpretation. However, the participants seemed to perceive that the importance of halal certification for the hotel in Aceh is a must because it is a demand for tourism development worldwide nowadays. The importance of halal certification was to convince the guests and should satisfy the guests either from Muslim visitor as well as non-Muslim visitor, they even mentioned that halal certification will act as an important role in marketing and advertising strategy, because Shariah Compliant Hotel not exclusively suitable for Muslim visitor but it will provide a proper accommodation for non-Muslim visitor as well.

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