



COMCEC

**Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)**

**Muslim Friendly Tourism:
Developing and Marketing MFT Products and Services
In the OIC Member Countries**



**Halal Certified
Kitchen**



**Halal Food in & Nearby
Hotel**



Masjid in Hotel



**Nearby Mosque or
masjid**



**Qibla Mark in
Rooms**



Quran in Rooms



**Prayer Rug in
Rooms**



**Non-Alcohol
Facility**



**Private Bath & Sauna
for Ladies**



**Private Beach & Pool
for Ladies**



**Private Pool & Beach
Ladies Only Hours**



**Special Restaurant
for Families**



**Portable Shower
Head**



No Disco & Bar



No Adult Channels

**COMCEC COORDINATION OFFICE
August 2016**



**Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)**

**Muslim Friendly Tourism:
Developing and Marketing MFT Products and Services
In the OIC Member Countries**

**COMCEC COORDINATION OFFICE
August 2016**

This report has been commissioned by the COMCEC Coordination Office to the project team led by DinarStandard, a research and advisory firm. Views and opinions expressed in the report are solely those of the author(s) and do not represent the official views of the COMCEC Coordination Office or the Member States of the Organization of Islamic Cooperation. Excerpts from the report can be made as long as references are provided. All intellectual and industrial property rights for the report belong to the COMCEC Coordination Office. This report is for individual use and it shall not be used for commercial purposes. Except for purposes of individual use, this report shall not be reproduced in any form or by any means, electronic or mechanical, including printing, photocopying, CD recording, or by any physical or electronic reproduction system, or translated and provided to the access of any subscriber through electronic means for commercial purposes without the permission of the COMCEC Coordination Office.

Cover design: by halalinn.com

For further information please contact:

COMCEC Coordination Office
Necatibey Caddesi No: 110/A
06100 Yüce-tepe
Ankara/TURKEY
Phone: 90 312 294 57 10
Fax: 90 312 294 57 77
Web: www.comcec.org

Table of Contents

Executive Summary	1
Introduction and Methodology	13
Background.....	13
Objective	14
Methodology.....	14
1 Global Tourism Trends in Products and Services and Marketing	16
1.1 Global Market Size	16
1.2 Global Tourism Products/ Services and Marketing Strategy Framework	17
1.2.1 Customer Segmentation	18
1.2.2 Tourism Marketing Mix	20
1.2.3 Global Tourism Products/Services and Marketing Landscape	23
2 Conceptual Framework and Global Landscape of MFT Products/Services	28
2.1 Definition of Muslim Friendly Tourism	28
2.2 Muslim Travelers' Journey and Preferences	30
2.3 Current Global Landscape of MFT Products and Services	37
2.4 Current Trends in Marketing MFT Products and Services	43
2.5 Current Government Policies Related to MFT	45
2.6 Industry Challenges and Success Factors	49
3 MFT Products/Services and Marketing Strategies in OIC Countries	52
3.1 MFT Market Size and Profile in OIC Countries	52
3.2 MFT Products and Services in OIC Member Countries	53
3.3 Distribution of MFT Products and Services	58
3.4 Value and Pricing of MFT Products and Services	59
3.5 Promotion of MFT Products and Services	60
3.6 The Role of the Government in Developing the MFT Sector	61
4 Case Studies	65
4.1 Egypt	65
4.2 Bosnia	69
4.3 Indonesia.....	72
4.4 Japan.....	77
4.5 Malaysia	82
4.6 Spain.....	92
4.7 Thailand.....	101
4.8 Turkey	107
5 Gap Analysis and Opportunity Insights	117
5.1 Importance of Religious Considerations for Muslim Travelers.....	118
5.2 Customer Demographics and Purpose of Travel Opportunities	118
5.3 Public Policy Gaps/ Opportunities.....	119
5.4 MFT Products and Services Gaps/ Opportunities	123
5.5 MFT Marketing Gaps and Opportunities.....	126

6 Policy Recommendations131
6.1 Driving MFT Strategy 131
6.2 Developing Public Policies and Support Initiatives 132
6.3 MFT – Products and Services Strategy Priorities 136
6.4 MFT – Marketing Strategy Priorities 141
6.5 MFT – Private Sector Recommendations by Supplier Type 145

7 Appendix.....148
Interviewee List..... 148

Table of Figures

Figure 1: International Tourist Arrivals in 2015	16
Figure 2: International Tourism Receipts in 2015	17
Figure 3: Global Product/Service and Marketing Framework.....	17
Figure 4: Customer Segments	19
Figure 5: Trip Purpose	19
Figure 6: Tourism Marketing Mix.....	20
Figure 7: Global Landscape of Tourism Products and Services	24
Figure 8: Inbound Tourism by Mode of Travel (2011).....	24
Figure 9: Global Tourism Industry Products and Services Segmentation.....	25
Figure 10: Muslim-Friendly Hotel Product Levels	29
Figure 11: Traveler Journey.....	32
Figure 12: Destination Selection Criteria	34
Figure 13: Hotel Services Importance Rating.....	35
Figure 14: Restaurant/Food Outlet Chain Services Importance Rating.....	36
Figure 15: Transportation and Entertainment Venues Services Importance Rating	37
Figure 16: OIC Countries Halal Travel Indicator (HTI) 2015/2016 Scores	54
Figure 17: Accommodation Booking Method.....	59
Figure 18: Willingness to Pay Extra for MFT Products and Services	60
Figure 19: 5-Step Policy Recommendations Framework.....	131
Figure 20: Recommended MFT products and services priorities.....	136
Figure 21: Recommended MFT marketing priorities	141

List of Tables

Table 1: Sample Demographics	30
Table 2: Global and MFT Tourism Market Size.....	52
Table 3: Egypt – Tourism Figures.....	65
Table 4: Bosnia - Tourism Figures	69
Table 5: Indonesia – Tourism Figures	72
Table 6: Japan – Tourism Figures.....	77
Table 7: Malaysia – Tourism Figures	82
Table 8: Spain – Tourism Figures.....	92
Table 9: Thailand – Tourism Figures	101
Table 10: Turkey – Tourism Figures.....	107
Table 11: Turkey MFT Hotel Rates	115
Table 12: Summary of Product and Services Features Across the Value Chain.....	117
Table 13: Global travel purposes compared to MFT travel purposes	119
Table 14: MFT Public Policy Gaps and Opportunities.....	120
Table 15: MFT Products and Services Gaps and Opportunities.....	123
Table 16: Marketing Gaps and Opportunities	126

List of Abbreviations

ASEAN	Association of Southeast Asian Nations
COMCEC	The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation
GCC	Gulf Cooperation Council
Fam Trips	Familiarization Trips
ITC	Islamic Tourism Centre of Malaysia
MFT	Muslim Friendly Tourism
OIC	Organization of Islamic Conference
OTA	Online Travel Agency
SMIIC	The Standards and Metrology Institute for the Islamic Countries
UNWTO	The World Tourism Organization

Executive Summary

With the rising numbers of the global Muslim population, businesses around the world have started to pay attention to the needs of that growing and lucrative market segment. The travel sector is no exception to that trend, giving growth to a variety of Muslim Friendly Tourism (MFT) products and services.

In acknowledgement of the importance of the MFT sector, many governments around the globe are promoting themselves as Muslim-friendly destinations and in some cases are supporting the private sector's efforts in the development of Muslim-friendly products and services. While a number of mainstream tourism providers have modified their offerings to accommodate the needs of Muslim travelers, an increasing number of specialized providers, focusing only on MFT products and services, have emerged in the past decade.

Study Purpose, Scope and Methodology: The purpose of this Study is to enable all Muslim Friendly Tourism (MFT) stakeholders to develop high-impact MFT product development and marketing strategies and initiatives. The scope of this study covers the current global landscape of MFT products and services, trends in marketing MFT products and services, government policies in support of MFT, survey-based input on current Muslim travelers behavior and decision making, survey-based input on the preferences of Muslims travelers at various touchpoints of their journey, country case studies on MFT products offerings and marketing, and policy recommendations for effective MFT product development and marketing strategies.

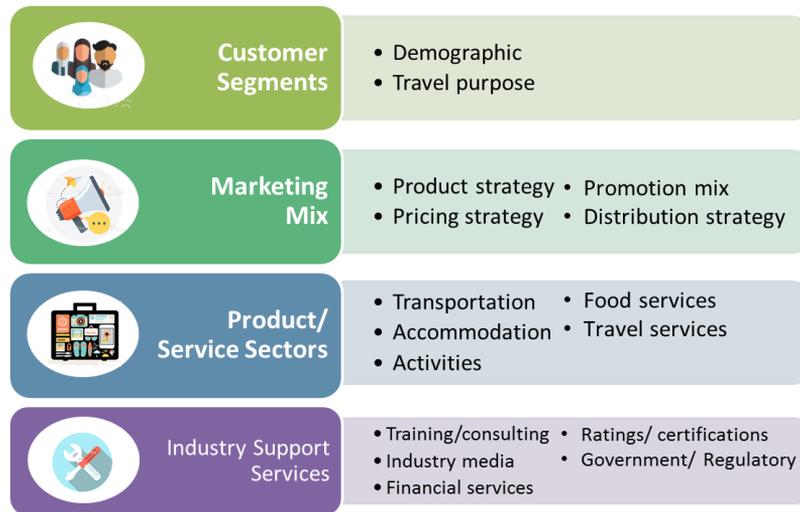
The Study combines primary and secondary research tools and sources to fulfill its objectives. Primary research used includes a global Muslim Traveler Survey that was conducted in 2016 from March 6th to April 20th to discover the preferences of the Muslim traveler, 25 in-depth interviews were conducted in person and by telephone with MFT market stakeholders to provide insights into the MFT market, and eight country case studies were selected to provide insights into MFT products and services development and marketing strategies. The secondary sources used include previous market studies, trade and sector reports, academic articles and research papers, government, international organizations and press publications.

Global context: Global inbound tourism expenditure has reached \$1.28 trillion in 2015, an increase from \$1.25 trillion in 2014, based on 3.6 percent compound annual growth, extrapolated from UNWTO growth statistics between 2014 and 2015. Global outbound expenditure is expected to reach \$1.85 trillion in 2020, according to estimates using government statistics, with 6.75 percent compound annual growth, which is faster growth than global GDP at 3.4 percent annualized. European and North American consumers accounted for an estimated 55.4 percent of global tourism expenditure; however, travelers from Asia, which includes MENA based tourists, are estimated to increase their global share by 2020.

The global tourism industry is comprised of a vast value-chain of service providers ultimately addressing the needs of the travelers who are driven by their travel needs or purpose. With the growing sophistication of digitally driven marketing, a wide variety of traditional and innovative marketing strategies are being employed to engage global travelers.

In order to best identify the MFT products and development and marketing practices, a wider global tourism products/services and marketing strategies context was leveraged to identify and address potential global best practices to consider for the MFT market.

Figure: Global Product/Service and Marketing Framework



Source: DinarStandard analysis

The major categories and sub-categories of the global tourism products/ services and marketing ecosystem were grouped by: Customer segments, Marketing mix, Product/ Service sectors, and Industry Support services.

‘Muslim-friendly’ travel defined: The tourism industry has been using a variety of terms to describe the products and services targeting Muslim travelers ranging from “Halal Travel,” “Muslim-friendly,” “Islamic tourism” to “Shariah compliant. In the literature, academics mostly use the terms “Halal Tourism” and “Islamic Tourism” in reference to tourism products and services addressing Muslim travelers’ needs. In a previous study, commissioned by COMCEC, Muslim-Friendly Tourism was equated with Halal Tourism and defined as “The activities of Muslim travelers who do not wish to compromise their faith-based needs while travelling for a purpose, which is permissible.”¹

Muslim travel needs: To have a clear understanding of the relative importance of ‘Muslim-friendly’ travel needs and nature, a global online consumer survey was conducted from March 6th to April 20th, 2016. With regard to the geographical distribution of survey respondents, more than a third of the respondents (36%) live in GCC countries, close to a third of the respondents (29%) live in European and North American countries, 18% live in Asian countries while respondents from African countries represent 15% of the sample. Two thirds of the respondents are residents of OIC countries.

The findings of the survey, with regard to traveler journey, consumer destination selection criteria, and religious needs at various journey touchpoints are;

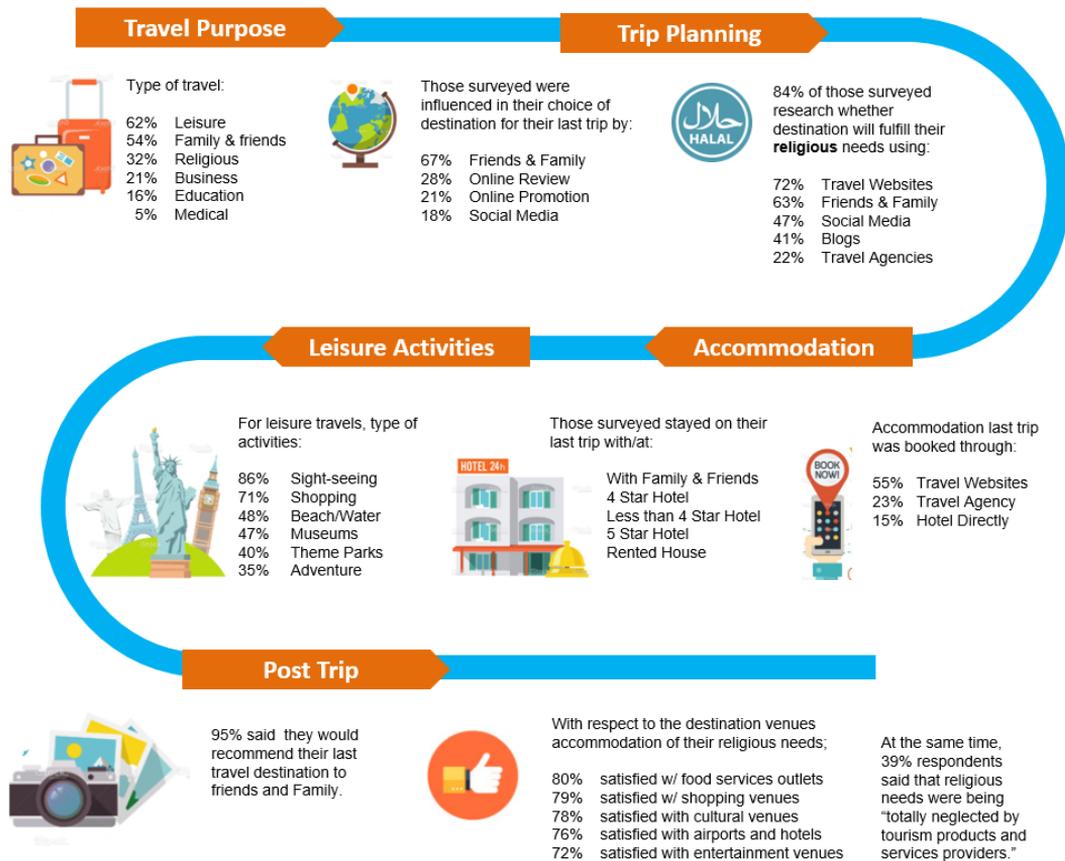
- With regard to the purpose of their trips, leisure topped the list (62%), followed by visits to family and friends (54%), religious (32%), business (21%), education (16%), and medical purposes (5%). As for whom they usually travel with, 68% of the

¹ “Muslim-Friendly Tourism: Understanding the Demand and Supply Sides in the OIC Member Countries.” COMCEC, Feb. 2016. Web.

respondents stated travelling with family members, 14% travel alone and 12 % travel with friends.

- With respect to the activities they engage in while on their leisure trips, sight-seeing was the activity most mentioned (86%) followed by shopping (71%), beach/water related activities (48%), visiting museums (47%), theme parks (40%) adventure activities (35%), cruises (18%) and sports activities/events (11%).
- 84% of the survey respondents researched destinations before traveling to ensure they meet their religious needs, affirmed that they do. They get information through travel websites (72%), from family and friends (63%), social media (47%), blogs (41%), travel agencies (22%), and advertising (12%).
- While total cost is the top criteria for destination choice followed closely by Muslim-friendly services. Friendliness of locals is the third criteria for destination choice.
- For hotels, the presence of Halal food options is important to 95% of the respondents, followed by the availability of a bidet shower/sprayer in toilets (89%) and no alcoholic drinks being in the room (85%), and serving Ramadan meals (84%).
- For restaurants, the most important service is the provision of Halal food options (96%), followed by serving Ramadan meals and having all food at facility be Halal (85% each) and having modestly clothed staff and no alcoholic drinks at restaurants/ food outlets (81%).
- For airports, entertainment and cultural venues at destination, the two most important elements are the availability of Halal food options and prayer areas (95% each), the availability of bidet shower/sprayer in toilets (89%), having modestly clothed staff and all food at venues be Halal with (78% each), and having no alcoholic drinks at venues (76%).

Diagram: Muslim Traveler Journey (Survey-based insights)



MFT Products and Services trends: MFT products and services are starting to multiply and diversify. New players have entered the MFT market adding to the global supply of MFT products and services especially in the hotels and restaurants area. Additionally, new product offerings have been created recently to accommodate Muslim travelers' needs including Muslim-friendly cruises, airlines and mobile travel applications.

- **Hotel chains around the world** have started to work on accommodating Muslim travelers needs in an effort to enter the profitable MFT market. However, this is an area where the lack of standardization and certification becomes very clear with every hotel adopting its own standards of what is Muslim-friendly. Some hotels provide only Halal food, while others offer in addition to that prayer rooms, gender separated entertainment facilities and prayer rooms. Some hotels have also acquired Halal certification from certification bodies.
- A **growing number of cultural, entertainment and shopping** venues and recreational facilities in their bid to appeal to Muslim travelers needs have started offering Halal food and prayer spaces. Additionally, some recreational facilities like spas have begun to offer tailored services to Muslim travelers such as the gender-segregated "Halal" spas.

- The **number of Muslim-friendly and Halal certified restaurants** is on the rise in many countries. There is still a variety in terms of the level of Shariah compliance of Muslim-friendly restaurants; some may only offer some Halal options while others may have Halal only food prepared in Halal certified kitchens.
- The **travel services segment** has expanded and adapted itself to Muslim travelers' needs whether in terms of mainstream providers adding Muslim-friendly services to their range of services or new service providers tackling specifically the MFT market. Both government agencies and the private sector have put their mark on the MFT travel services segment especially in terms of developing travel websites and mobile apps.
- **The transportation segment** has been increasingly adapting itself to Muslim travelers' needs whether in terms of mainstream providers instituting minor changes like providing Halal meals at airports, onboard flights and cruises, or in terms of specialized MFT services providers seeking to provide a more tailored product as in banning alcohol onboard flights and cruises and providing Shariah compliant entertainment. Many destinations are making their airports Muslim-friendly by providing prayer areas and washrooms as well as providing halal food options.
- **Muslim-friendly cruises** are some of the more recent product offerings in the MFT market. While some mainstream tourism providers try to accommodate Muslim travelers' basic needs in terms of Halal food, a number of companies have started to offer cruises that provide other services besides Halal food such as segregated entertainment areas and prayer space in addition to banning alcohol and gambling.

There is a vast variance between OIC countries in terms of development of MFT products and services. While the development of MFT products and services among OIC countries can be described as unequal, a number of OIC countries have taken the lead on the MFT global scene including Turkey, Malaysia, United Arab Emirates among others. The MFT products and services in OIC include;

- An abundance of Halal dining options in OIC countries whether in terms of local food outlets or international chains which are using Halal components for their operations in OIC countries. However, the process of Halal certification for restaurants in many OIC countries is lagging behind and varying standards are being used in the application of certification.
- Muslim-friendly accommodation options are still low across the OIC countries and show great variance in the level of services offered to Muslims. While some hotels offer a basic level of MFT services namely providing Halal food options, other hotels offer prayer rooms, separate recreation facilities for females and males as well have their staff wear a modest uniform.
- While Halal food is available throughout the transportation sector, there is a variation in how industry players cater to the rest of Muslim traveler needs. OIC countries airlines offer Halal food options on board and in many cases serve only Halal meals, some prohibit alcohol and air pre-recorded Muslim supplications during takeoff. Across OIC Countries, most transportation facilities offer Halal food and prayer areas for Muslim travelers.



- Attractions, recreation and entertainment venues across the OIC countries offer a varying level of services to accommodate Muslim travelers' needs. Some venues offer halal food options, prayer areas and washing areas for ablutions, others offer special service hours for women and families to enjoy the entertainment facilities.
- Traditionally, travel agencies have focused on fulfilling Muslim travelers' Hajj and Umrah needs. However, they have started lately considering leisure travel also as an area where there are Muslim needs to be met. Some agencies are providing "Halal customized" services for Muslim travelers who would like to travel to Western countries. Digital travel services products are expanding across OIC countries with a number of travel websites and travel apps being created in OIC countries both by the government or the private sector.

MFT Marketing trends: With respect to current marketing trends, the fragmented nature of tourism markets in general has led to a certain level of cooperation between products and service providers at one level and between them and their respective governments at another level, especially in the area of marketing MFT products and services. Governments across the world have cooperated with tourism products and services providers in support of the development of the MFT sector in general and in marketing in particular.

Areas of public private partnership include raising awareness among tourism products and services providers of the MFT market potential and Muslim consumer needs, supporting providers in developing and certification of MFT products and services, and engaging in destination marketing. Small and medium tourism enterprises (SMTEs) have created local partnership or tourism clusters to build a tourism offering able to compete globally.

Cluster marketing has a number of benefits including exchanging experience and more effective resources utilization. Common branding enables SMTEs to improve their marketing positioning and create joint marketing and promotional initiatives as well as a central distribution system.

Both Destination Management Organizations (DMOs) and tourism industry players have been active in attracting Muslim travelers through the use of digital tools including the web, mobile apps and social media. Halal travel conferences have also been used successfully to raise the awareness of the MFT in general, they also have proved to be a valuable marketing tool for host countries in terms of increasing their visibility on the MFT market scene.

MFT Distribution channel trends: The distribution channels used by MFT industry products and service providers include both traditional tools such as direct sales, tour operators and travel agencies as well as digital tools such as providers' websites and online travel agencies including B2B and B2C travel websites. In the case of online travel agencies, a number of mainstream distribution channels are available such as Booking and Expedia as well as Muslim-friendly online travel agencies such as HalalBooking, HalalTrip, Lagisatu, Tripfez or the new B2B Muslim Travel warehouse. Interviews conducted within the scope of the case studies with MFT products and services providers indicate that most MFT products and services providers use a combination of traditional and digital distribution tools.

When survey respondents were asked about how they booked their last trip, half of the respondents cited booking through online travel websites their last trip's accommodation, followed by close to a quarter of the respondents (22%) stating that they have booked

through a travel agency and only 11% citing contacting hotels directly. The rest of the respondents cited staying with friends and family or getting accommodation through walk in without previous booking. However, it is worth noting that since the survey data was collected through the internet that the results may be skewed in favor of online reservations.

MFT Pricing Strategies: Tourism products and services providers have a choice between three main pricing strategies depending on cost, demand, and competition. Interviews conducted within the scope of the case studies with MFT products and services providers indicate that tourism products and services providers are aware of the need to remain competitive and are pricing their products and services accordingly. In certain cases, however, some providers increase prices due to high demand for MFT products in peak seasons due to higher demand.

It is worth noting that when survey respondents were asked if they are willing to pay extra to receive products and services tailored to meet their religious needs, almost three quarter of the respondents (74%) mentioned they would be willing to pay more. When asked how much more in terms of a percentage they were willing to pay, more than a third of those who were willing to pay more cited figures from 6 to 10%, close to a quarter of them were willing to pay more than 10% while a similar percent was willing to pay only from 1% to 5% more and the rest were unsure how much more they are willing to pay.

Government engagement: OIC Governments have supported to varying degrees the development of the MFT sector. A number of OIC official tourism agencies bodies have engaged in raising awareness of the MFT market potential and Muslim traveler expectation and needs. Besides planning and improving the basic infrastructure, some OIC governments have provided support for SMEs through the provision of guidance and subsidies to help them develop products and services targeting Muslim travelers in acknowledgment of the importance of that sector.

With certification being one of the main challenges facing entrants to the MFT market, governments have been increasingly active in setting guidelines for Halal certification and supporting MFT products and services providers obtain Halal certification. Destination marketing is one of the areas where many OIC governments have been active. Among the initiatives undertaken by governments in this area is the development of Muslim visitor guides in a variety of formats suitable for different platforms as well as organizing conferences and industry events in addition to creating strategic partnerships to help promote the MFT sector.

Key gaps and opportunities: Based on the analysis of this Study's research findings, key areas identified as gaps and opportunities to consider for MFT market product/ services and marketing strategy development were identified.

- **This Study's survey confirms the significant view that 'religious' considerations in travel products/services represent a significant need of most Muslim travellers.** A big number (84%) of respondents said they research destinations before traveling to ensure they meet their religious needs. They mentioned getting the information through travel websites (72%), from family and friends (63%), social media (47%), blogs (41%), travel agencies (22%), and advertising (12%). In ranking criteria for choosing leisure travel destination, catering to religious needs had the highest (65%) respondents saying that it was 'Extremely Important.' (See section #2.2). For accommodations, the

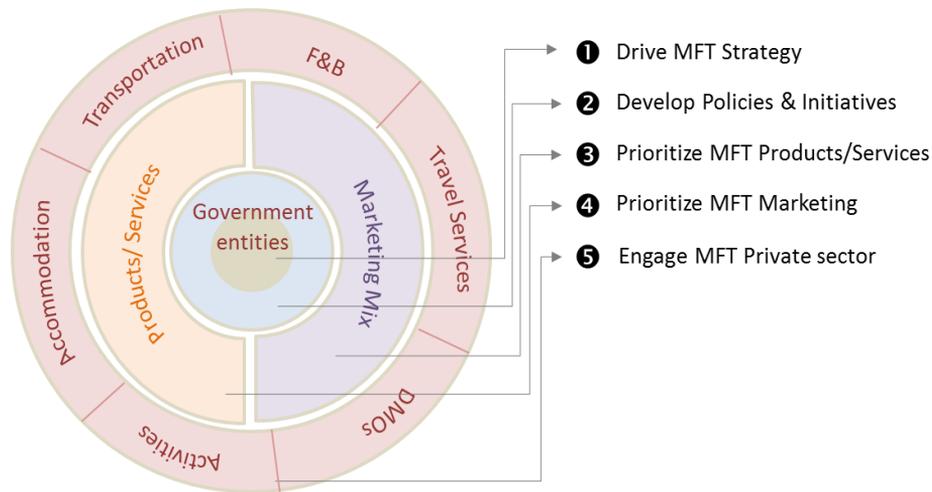
presence of Halal food options is the most important criteria with 95% of the respondents (67% 'Extremely important.) Similar responses for restaurants in general and travel transit facilities such as airports, malls, etc.

- **A young Muslim traveler profile provides most relevant opportunity demographic segments.** The most prominent age segment for MFT market would be the 'Millennial' age segment of 18-34. In addition, young Gen X Muslim families with children (age 35-44) would be the other most important segment, especially for the luxury segment but also for the middle-class market segment.
- **Led by 'Leisure', purpose of travel also has other viable segments as well:** In comparison to global travel purposes according to the UNWTO in 2014, the Muslim traveller purpose of travel are unique in some ways. While both surveys are not an exact comparison, nevertheless, leisure topped the list for both (53% in the UNWTO study and 62% in the MFT study survey), however, VFR i.e. visiting friends and relatives (54%), religious travel (32%), business (21%) and education (16%) seem to stand out much more distinctly as opportunities in the MFT market. In the UNWTO study, VFR, health and religion are lumped together and account for only 27% of travel purposes while business purposes accounted for 14%.
- **Key areas of public policy gaps and opportunities identified are as follows:**
 - **In the area of Government policies;** implementing Halal regulation/compliance, establishing MFT national body/committee, easing visa policies, and providing subsidies.
 - **In the area of Government-led destination marketing policies;** developing brand identity, promoting/supporting marketing campaigns, launching joint promotions with airlines, creating innovative initiatives (e.g. Muslim lifestyle festival), and developing aggregate promotions.
 - **In the area of bilateral cooperation;** developing bilateral tourism agreements, organizing technical knowledge exchange, and creating joint promotion for destinations.
 - **In the area of global cooperation;** engaging in Halal standards development and Islamic economy' global events and establishing a body to lobby for Muslim travellers' needs.
 - **In the area of SME Support;** training tourism suppliers, facilitating Halal certification, providing subsidies, and establishing a portal for SMEs.
- **Key areas of MFT products/ services are as follows:**
 - **In the transportation sector;** provide Halal food options, prayer rooms, and Muslim-friendly gender segregated spas at airports.
 - **In the accommodation sector;** provide MFT services (in order of priority per Study survey: provide clear Halal food options, ensure bidet sprayer in toilets, no alcoholic drinks in rooms, serve suhoor and iftar during Ramadan, all food at facility to be credibly Halal, Qibla direction in rooms and have family friendly entertainment

- shows), develop Muslim-friendly vacation and beach resorts, Muslim-friendly home sharing, Muslim-focused concierge apps, and culturally themed hotels.
- **In the food and beverages sector;** provide Halal food credentials for food service venues, create Muslim-friendly meal sharing platform, and develop review sites for Halal restaurants to develop strong brands.
 - **In the travel services area;**
 - For travel agencies; differentiate by focusing on specific target market and product offering, and target Muslim market segments in addition to other market segments.
 - For ancillary services; develop Takaful –based travel insurance and travel financing services.
 - In the activities area; improve the infrastructure of heritage sites, adapt culture based entertainment to be Muslim-friendly, provide clear Halal food options and prayer rooms in malls and at attractions, and train tour guides at Islamic heritage sites
 - **Key areas of MFT marketing gaps and opportunities are as follows:**
 - **Traditional advertising;** develop visitor guides and create innovative integrated campaigns that combine both traditional and digital advertising.
 - **Digital promotion;** develop online visitor guides, create promotions based on friends and family referral/recommendation, utilize video blogging (Vblogging), mobile marketing, marketing videos, YouTube ads , Virtual Reality, and Halal apps.
 - **Public relations;** launch influencer campaigns, organize Familiarization Trips (Fam trips) and trade shows, and use press releases.
 - **Sales promotion;** create cross promotions with other ‘Halal’ economy sectors, organize contests and trade shows, and offer discounts.
 - **Integrated campaigns;** develop integrated offline and social media campaigns, launch social media influencer contests, use Cluster Marketing.
 - **Distribution;** MFT online travel agencies (OTAs) should increase consumer awareness in their services.
 - **Pricing;** continue competitive pricing for undifferentiated products, charge premium pricing for value-added and high demand products.

Policy recommendations: For national tourism Ministries or official agencies of OIC member countries, a 5-step structured set of recommendations is presented below. This is aimed to provide practical recommendations to facilitate an effective national MFT strategy, related policies, products and services priorities, marketing priorities, and recommendations for Tourism private-sector key player types.

Figure: 5-Step Policy Recommendations Framework



1. Drive MFT Market Strategy

- Build internal stakeholder awareness for MFT
- Establish a dedicated MFT body/committee
- Develop and drive MFT market growth strategy

2. Developing Public Policies and Support Initiatives;

- **Government policies:**
 - 'Progressing' OIC countries: strengthen Halal food and travel services compliance ecosystem
 - 'Mature Markets': provide subsidies for obtaining Halal certification and ease visa policies
- **Government-led destination marketing**
 - 'Progressing' OIC countries: strengthen Halal food and travel services compliance ecosystem and launch seed marketing campaigns.
 - 'Mature Markets': launch MFT related innovative programs, create joint promotions with airlines and aggregated promotions
- **Bilateral Cooperation**
 - 'Progressing' OIC countries: cooperate with MFT 'Mature Markets' or select regional MFT successes in technical knowledge exchange as well as in jointly promoting their destinations
 - 'Mature Markets': create long-term joint initiatives such as 'Partner city' or 'Student Exchange' programs
- **Global cooperation**
 - 'Progressing' OIC countries: engage in Halal related standards development global platform and 'Islamic economy' global events
 - 'Mature Markets': develop a body to advocate for Muslim travellers' rights

- **SME Support**
 - Facilitate Halal certification
 - Training tourism suppliers
 - Establishing a mentorship program
 - Providing subsidies

3. MFT – Products and Services Strategy Priorities

- **Customer segment and themes prioritization:** Three key customer segments have been proposed as a focus for MFT product and marketing development:
 - Young Muslim Millennials: Age-group 18-24; single; middle-class
 - Young Muslim Couples: Age-group 25-34; married w/ no kids or newly married; middle to upper-class
 - Growing Muslim Families: Age-group 35-44; married with kids; middle to upper-class
- **Accommodation sector prioritization**
 - ‘Progressing’ OIC countries: Prioritized MFT services at hotels based on analysis presented
 - ‘Mature Markets’: Vacation and beach resorts; Muslim-friendly home sharing; culturally themed hotels
- **Food and Beverage sector prioritization**
 - ‘Progressing’ OIC countries: Clear ‘Halal’ food credentials for food service venues (restaurants)
 - ‘Mature Markets’: Experience local food hospitality; ‘Halal’ food online reviews
- **Travel services sector prioritization**
 - ‘Progressing’ OIC countries: Providing select ‘Muslim-travel’ themed packages
 - ‘Mature Markets’: Travel financing services; “Takaful” based travel insurance services; MFT focus global travel booking website/ digital platform
- **Activities sector prioritization**
 - ‘Progressing’ OIC countries: Prioritized MFT services at attractions/ shopping malls (as per ‘Gaps/ Opportunities section’); Develop and promote Islamic heritage sites;
 - ‘Mature Markets’: Develop family friendly cultural entertainment; branded Muslim-lifestyle festivals and theme-parks
- **Transportation sector prioritization**
 - ‘Progressing’ OIC countries: Prioritized MFT services at transportation venues (as per ‘Gaps/ Opportunities section’)
 - ‘Mature Markets’: Innovative transit services

4. MFT Marketing Strategy Priorities

- **MFT promotion mix prioritization:**
 - ‘Progressing’ OIC countries: General digital promotions; Friends and Family referral/recommendation promotions; MFT credentials on online reviews, travel website listings; Familiarization Trips (FAM Trips); Integrated campaigns
 - ‘Mature Markets’: Cross-promotion with other ‘Halal’ lifestyle sectors; visitor guides; virtual reality; Influencer campaigns; cluster marketing
- **MFT services distribution prioritization**
 - Mainstream and MFT focused travel booking websites/apps;
 - Traditional select travel agencies engaged
- **MFT pricing strategy prioritization:**
 - Competitive pricing
 - Cautious premium pricing

5. Engage MFT Private sector

- Private sector coordination with national MFT initiative per sector (Accommodation, Food services, Travel agencies/services; DMO’s; Transportation)
- Combination of product/ services development and Marketing strategy are to be incorporated from related strategic priorities highlighted earlier.

Introduction and Methodology

Background

With the rising numbers of the global Muslim population, businesses around the world have started to pay attention to the needs of this growing and lucrative market segment. The travel sector is no exception to that trend, giving growth of a variety of Muslim Friendly Tourism (MFT) products and services. Acknowledging the importance of the MFT sector, many governments around the globe are promoting themselves as Muslim friendly destinations and in some cases are supporting the private sector's efforts in the development of Muslim-friendly products and services.² While a number of mainstream tourism providers have modified their offerings to accommodate the needs of Muslim travelers, an increasing number of specialized providers, focusing only on MFT products and services, have emerged in the past decade.³

In the transportation area, major mainstream airlines are providing Halal meals while more specialized providers have no alcohol onboard; offer Muslim-friendly entertainment on board in addition to airing supplications during takeoff and landing. Mainstream cruise companies have also started providing Muslim meals, while more specialized providers do not offer alcohol, pork-related products and gambling onboard and have segregated sports centers, and spa facilities in addition to prayer rooms.

In the accommodation area, major mainstream players have started providing services to Muslim travelers specifically offering them Halal food while more specialized providers offer Halal certified food, prayer areas and separate entertainment facilities for men and women. Some hotels equip their rooms with Qibla signage, prayer mats and copies of the Quran in rooms. In the food and beverages area, major restaurants and fast food chains have started offering Halal food options while more specialized providers have completely Halal kitchens and some obtained Halal certification for their operations.

Concerning activities, mainstream entertainment venues have provided Halal food options and prayer rooms while more specialized providers do not offer alcohol on their premises, offer separate service hours for men and women as well as special days for families.

In the travel services area, some mainstream travel websites give information on nearby Halal dining options while more specialized travel websites allow travelers to choose from a variety of hotels that offer services tailored to Muslim travelers.

In a previous study, commissioned by COMCEC and conducted by CrescentRating, the supply and demand sides of MFT were explored. In this study, the focus is the development of MFT products and services and marketing best practices. Government strategies, in general and in OIC countries in particular, in support of MFT products and services development and marketing are also presented. Muslim travelers' experience, at various touchpoints in the

² Please refer to "Current Government Policies Related to MFT Products and Services" and "The Role of Governments in Developing the MFT Sector" sections for specific examples of the various products and services mentioned here.

³ Please refer to "The Current Global Landscape of MFT Products and Services" and "The MFT Products and Services in OIC Countries" sections for specific examples of the various products and services mentioned here.

travel journey, is also covered to help develop an understanding of this growing market segment.

Objective

The objective of this Study is to enable all Muslim Friendly Tourism (MFT) stakeholders to:

- Analyze the current products/services and marketing landscape of the MFT sector on a global level and in the OIC Member Countries;
- Identify the challenges facing the development and marketing of MFT products and services;
- Present MFT success stories that provide examples of effective product/service development and marketing strategies
- Provide policy recommendations for effective MFT product/service development and marketing for OIC Member Countries.

Methodology

The study combines primary and secondary research tools and sources to fulfill its objectives:

- *Primary Research:* A number of tools/strategies were used including;
 - *Global Survey:* A global *Muslim Traveler Survey* was conducted in 2016 from March 6th to April 20th to discover the needs of the Muslim traveler. The survey received a total of 1120 responses from 13 countries; Saudi Arabia, UAE, Qatar and Kuwait, Egypt, Malaysia, Indonesia, Singapore, India, Turkey, United Kingdom, United States, Canada, Nigeria, South Africa and Kenya.
 - *In-depth Interviews:* 25 in-depth interviews were conducted face to face and by telephone with MFT market stakeholders to provide insights into the MFT market in general and to provide information on specific government policies and marketing strategies for MFT products and services. Interviewee names are listed in the appendix (Section 9.1).
 - *Case Studies:* Eight country case studies were selected to provide insights into MFT products and services development and marketing strategies. The countries covered were Egypt, Bosnia, Indonesia, Japan, Malaysia, Spain, Thailand, and Turkey. Both field visits and in-depth interviews were used to collect data in the case studies of Malaysia, Spain, Thailand, and Turkey. While in-depth interviews were used to complement secondary data in the case studies of Egypt, Bosnia, Indonesia, and Japan.
- *Secondary Research:* A number of secondary sources were used including;
 - *Previous Market Studies:* Market research on Muslim tourism including COMCEC's "Muslim-friendly Tourism: Understanding the Demand and Supply Sides in the OIC Member Countries" 2016, State of the Global Islamic Economy Report 2015/2016, Muslim-friendly Beach Resorts: Opportunities and Trends 2016, and SESRIC's International Tourism in the OIC Countries 2015.

- Trade and Sector Reports: Information was gathered from the reports published by Business Monitor International, Euromonitor, Datamonitor, IBIS World, Mintel and Skift.
- Academic Articles and Research Papers: Information was gathered from *Journal of Islamic Marketing*, *International Journal of Tourism Research*, *International Journal of Trade, Economy and Finance*, *International Journal of Culture, Tourism and Hospitality Research*, and *Tourism Management*.
- Government Data: Data was collected from various government publications and websites including ministries and official tourism promotion entities websites.
- International Organizations Publications: including the UNWTO, UNCTAD, UNDP, World Economic Forum, International Trade Center, World Travel and Tourism Council (WTTC)
- Press Publications: including press releases from various MFT market players as well as articles covering MFT market in various publications and news websites including The National, Al Arabiya, Zawya.com, The Japan Times, Jakarta Post, TravelBiz Monitor, Channel News Asia, Gulf News, and Halal Media.

1 Global Tourism Trends in Products and Services and Marketing

1.1 Global Market Size

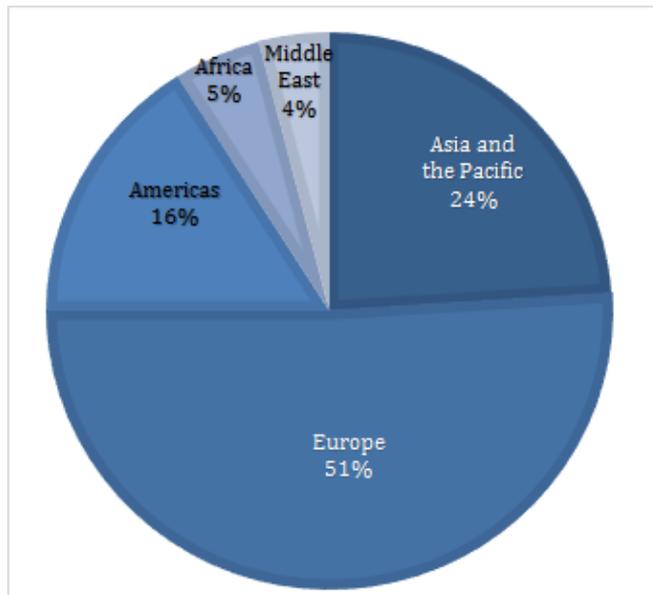
International tourism receipts have reached \$1.28 trillion in 2015, an increase from \$1.25 trillion in 2014, based on 3.6 percent compound annual growth accounting for exchange rate fluctuations and inflation, estimated from UNWTO growth statistics between 2014 and 2015. Global outbound expenditure is expected to reach \$1.85 trillion in 2020, according to estimates using government statistics, with 6.75 percent compound annual growth, which is faster growth than global GDP at 3.4 percent annualized. The total number of international tourist arrivals has reached 1.18 billion in 2015, which is projected to reach 1.8 billion in 2030 with 2.9 percent compound annual growth, according to UNWTO. The steady growth in global tourism is driven by per capita income growth, declining global unemployment, and increasing consumer sentiment.⁴

European and North American consumers accounted for an estimated 55.4 percent of global tourism expenditure; however, travelers from Asia, which includes MENA based tourists, are estimated to account for a larger share of global expenditure in 2020.⁵ Developing Asian economies have also contributed to growth within the Asia and Pacific region. China has the highest international tourism expenditure, with \$102 billion, followed by countries in Western Europe, North America, Japan and Australia. Emerging economies accounted for 46 percent of international tourism arrivals.

The total share of international tourist arrivals⁶ by region in 2015 includes:

- Americas: 191 million, 16%
- Africa: 53 million, 5%
- Middle East: 53 million, 4%
- Asia and the Pacific: 279 million, 24%
- Europe: 608 million, 51%

Figure 1: International Tourist Arrivals in 2015



⁴ “Global Tourism Report.” IBISWorld, 2015.

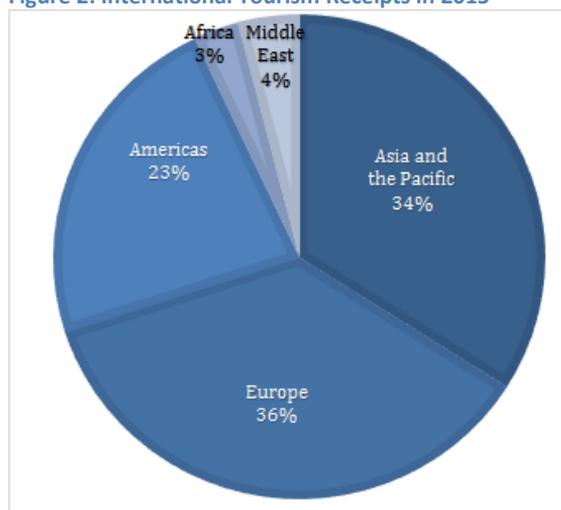
⁵ UNWTO Annual Report, 2014.

⁶ UNWTO World Tourism Barometer, May 2016

The total share of international tourism receipts⁷ by region in 2015 includes:

- Americas: 277 billion, 23%
- Africa: 33 billion, 3%
- Middle East: 55 billion, 4%
- Asia and the Pacific: 419 billion, 34%
- Europe: 448 billion, 36%

Figure 2: International Tourism Receipts in 2015



1.2 Global Tourism Products/ Services and Marketing Strategy Framework

The global tourism industry is comprised of a vast value-chain of service providers ultimately addressing the needs of the travelers who are driven by their travel needs or purpose. With the growing sophistication of digitally driven marketing, a wide variety of traditional and innovative marketing strategies are being employed to engage global travelers.

In order to best develop the MFT products and services and marketing practices, the wider global tourism product and services and marketing strategies context becomes valuable to identify and address potential global best practices to consider for the MFT market.

Figure 3: Global Product/Service and Marketing Framework



Source: DinarStandard analysis

⁷ UNWTO World Tourism Barometer, May 2016

The major categories and sub-categories of the global tourism products/ services and marketing ecosystem can be grouped as follows:

1. **Customer segments:** The main influencer for tourism product development and marketing are the evolving needs and segments of the ultimate customers. Customer segmentation are grouped under two main types: a) demographic, and b) travel purpose based segmentation
2. **Marketing mix:** Globally practiced tourism marketing strategies fall under the following main types known as a 'marketing mix:' a) product strategy, b) pricing strategy, c) promotion mix, d) distribution
3. **Product/Service sectors:** The main tourism industry product/ service providing sectors are: a) transportation, b) accommodation, c) activities, d) food services, e) travel services
4. **Industry support services:** These are industry supporting service providers that strengthen the tourism delivery service sectors. The main types are: a) training/ consulting, b) industry media/information, c) financial services, d) ratings/certifications, e) government / regulatory

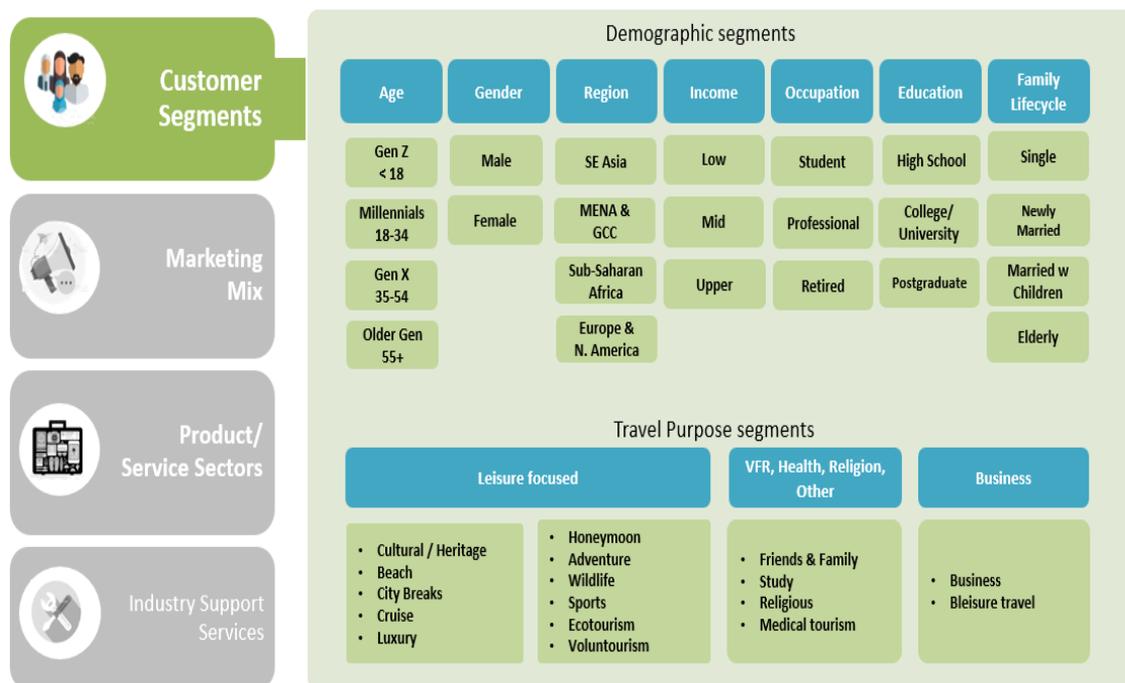
Global trends from three of the most important categories above are reviewed in the following sections.

1.2.1 Customer Segmentation

Customers in the global tourism landscape can be sub-segmented by demographic criteria and travel purpose.

Demographic segments are classified by age, gender, region, income, occupation, education and family lifecycle. After the methods of customer segmentation are defined, key customer segments can be identified within the tourism industry. The most active customer demographic segments within the global tourism market include millennials, college students, businesses, couples, and families.

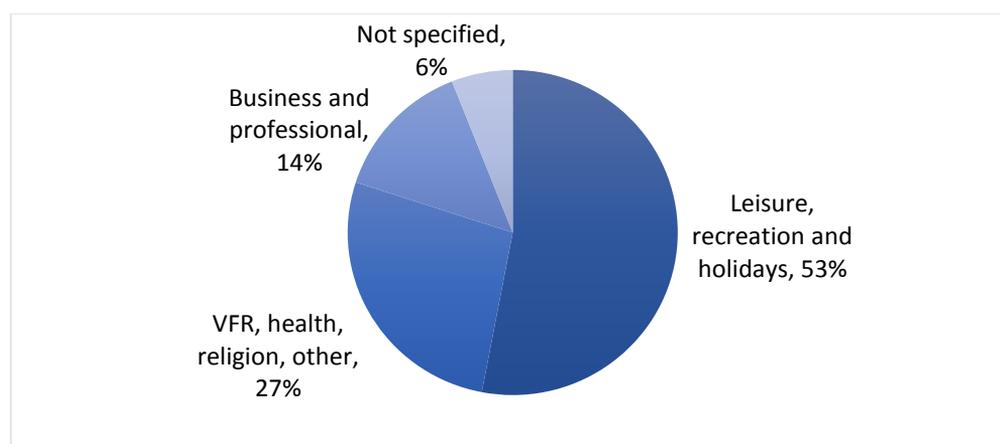
Figure 4: Customer Segments



Source: DinarStandard, Research and Advisory

Segmenting by travel purpose is another key mechanism by which travel customer segments are identified. The most prominent purpose of visit for inbound tourism by UNWTO in 2014 includes leisure, recreation, and holidays, which account for 53 percent of total visits. Health, visiting friends and relatives (VFR), and religious travel account for 27 percent of visits, and business and professional travel account for 14 percent of inbound tourist visits in 2014.⁸

Figure 5: Trip Purpose



Source: UNWTO

⁸ UNWTO Tourism Highlights, 2015.

The leisure, recreation, and holidays travel purpose segment includes beach vacations, tours, cruises, city breaks, visiting cultural or heritage locations, and engaging in adventure travel.

Business travel is another travel purpose segment, which can be defined by traveling for conferences, business meetings, and other work-related commitments.

Voluntourism, which is gaining popularity, combines volunteering and tourism to give individuals an opportunity to contribute their time effectively to help those in need, while visiting a foreign country. Voluntourism companies include The Planterra Foundation and STA Travel, which are international organizations that use a global network of travelers to support social solutions.⁹ Doctors without Borders and Engineers without Borders are other international humanitarian aid non-governmental organizations, which allow specific professionals to work in developing countries to provide aid and assistance.

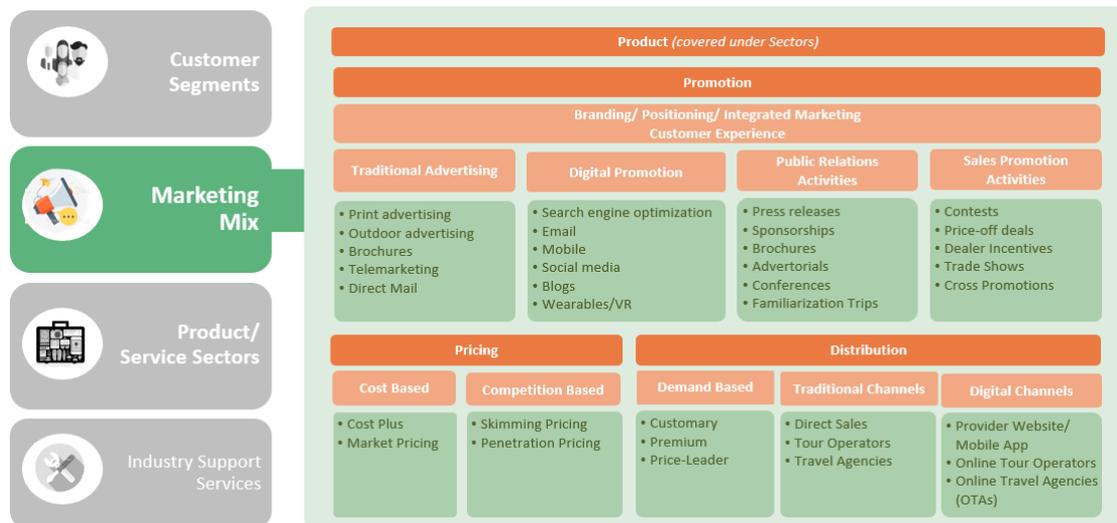
Sports tourism has also become common with international events including the Olympics and FIFA World Cup soccer tournaments, which attract individuals to support their individual countries in sports competitions.¹⁰

Religious and cultural travel can be recognized with organizations focused on providing trips to individuals to discover their heritage. For example, Qalam Institute, based in USA, offers 10-day heritage tour packages in Turkey to learn about the Islamic history in the region.

1.2.2 Tourism Marketing Mix

The Tourism marketing mix includes tourism products and services (described later), pricing, promotion and distribution.

Figure 6: Tourism Marketing Mix



Source: DinarStandard, Research and Advisory

⁹ Chamberlin, Kaitlyn. "Voluntourism 101: The Dos and Don'ts for Planning a Volunteer Vacation." U.S.NewsandWorld Report. 15 Jul. 2015

¹⁰ Mintel. "Sports Tourism Worldwide - December 2012."

Tourism promotion is an important element of the tourism marketing mix; it includes branding/ integrated marketing, traditional advertising, digital promotion, public relations and sales promotion activities.

Traditional advertising refers to the typical venues for media placement, which involves advertising through methods including paper print advertising, outdoor advertising, brochures, telemarketing, and direct mail. Traditional promotion typically costs an amount associated with the size of the ad and medium where it is published. More recently, print publishing has been facing a decline with marketers shifting focus to digital marketing channels. This can be seen through North American media ad spending, which was expected to grow by 5.2 percent in 2015, but is actually growing at 4.5 percent, due to lower expenditures on TV, newspaper, radio and magazines.¹¹ Still, some tourism products and services providers may use traditional media to target specific segments with customized messages. For example, Carnival Corporation's brand Princess, offers cruise ships that are customized for specific customer segments. Princess cruises use newspaper and magazine ads in different markets highlighting relaxation for American consumers and activities for Chinese consumers, who have been understood to be more active and appreciate more activities offered by the Princess brand.¹²

Digital promotion refers to the use of web-enabled technologies and the internet to reach and engage consumers through various promotional activities. Digital promotion examples include search engine optimization, email, mobile, social media, blogs and wearable or virtual reality marketing. Digital promotion represents the strongest market growth segment, which can be seen as Digital Ad Spending accounted for 29.9 percent of total Media Ad spending worldwide in 2015, which is expected to increase to 39.3 percent in 2019.¹³

Examples of the use of digital promotion in the tourism industry include;

- Hilton Hotels and Resorts launched a mobile video ad campaign to boost direct bookings. The travel videos feature 360-degree virtual reality experiences.¹⁴
- Four Seasons Hotels aims to market themselves as a lifestyle brand and has launched a social media campaign, which integrates wellness into branding. The social campaign features a collection of spa treatment and healthy food plans and has used the hashtag #30daysofenergy on Instagram to promote wellness.
- Discover Los Angeles is a local tourism board in California, which uses social media engagement with twitter branded hashtags to attract visitors. Popular hashtags include #discoverLA and #LostinLA

Public relations activities are the professional maintenance of relationships between a company and the public managed by an organization. Examples include press releases, sponsorships, advertorials, conferences and familiarization tours. Examples of the use of public relations in the tourism industry include;

¹¹ "Total Media Ad Spending Growth Slows Worldwide." eMarketer. 15 Sept. 2015

¹² Doland, Angela. "How Princess Cruises Went Upscale for China, With Tango and Afternoon Tea." Web. 8 Mar. 2016

¹³ Global Digital Ad Spending by Industry Report 2015, eMarketer

¹⁴ Ting, Deanna. "Hilton Launches a New Video Ad Campaign to Push Direct Bookings." Skift. 26 Apr. 2016

- The German National Tourist Board (GNTB) has launched a new e- brochure entitled 'Germany for the Jewish Traveler' to address religious services tailored towards travelers from the Jewish faith.
- Marriott Hotels, one of the largest hospitality companies founded in 1993, has launched Virtual Reality travel experiences in collaboration with Samsung to allow guests to order virtual reality experiences. Using these experiences, guests are given the opportunity to view Marriott's offerings in remote destinations.

Sales promotion activities are a method of marketing targeting consumers or distribution channels to drive revenue, attract traffic, or introduce new products. Examples include press price-off deals, contests, loyalty cards, discount vouchers, dealer incentives, cross promotions and trade shows. Examples of the use of sales promotions in the tourism industry include;

- Marriott has used twitter contests to engage loyalty members during Super Bowl 50. To engage local customers on the ground, the campaign requested users to take pictures of a Super Bowl branded Marriott Rewards bus in San Francisco in exchange for Marriott Rewards points. Marriott increased mobile engagement rates with social media.¹⁵
- Hyatt Hotels and Resorts also launched the Hyatt Gold Passport, which is an exclusive discount for members of its loyalty program to encourage booking and shopping with Hyatt on its website to essentially overshadow online travel agencies.¹⁶

Branding/ Positioning and Integrated marketing campaigns use a combination of promotional activities to enhance the customization and personalization of customer experience. Examples of the use of integrated marketing campaigns used by tourism products and services providers include;

- Hilton has launched an integrated campaign to boost website users with the slogan "stop clicking around", which Hilton explains offers the lowest rates. Hilton plans to market through several channels including Live Nation, an American entertainment that operates concert or event promotions and the Grammy Awards Annual ceremony, which features performances by prominent musicians and recognizes high performing musicians with awards.¹⁷
- Travel Oregon had set up a \$3 million marketing campaign using TV, Instagram and online content to boost tourism by listing descriptions of the state's seven wonders. The organizations created a 60 second television ad and used the hashtag #traveloregon to engage users on social media.¹⁸

Furthermore, Destination Management Organizations and local tourism agencies also contribute towards marketing efforts to attract consumers for local economic development. Tourist

¹⁵ Samuely, Alex. "Marriott Scores 69pc Mobile Engagement Rate with Social-enabled Loyalty Campaign." - Mobile Marketer., 11 Apr. 2016. Web.

¹⁶ Ting, Deanna and Jason Clampet. "Hyatt Enters the Direct Booking Wars With Discounted Loyalty Member Rates." Skift. 18 Apr. 2016. Web.

¹⁷ Ting, Deanna. "Hilton's New Ad Campaign and the Push for More Direct Hotel Bookings." Skift. 26 Feb. 2016

¹⁸ Shankman, Samantha. "Travel Oregon Takes on the 7 Wonders of the World in New Ad Campaign." Skift. 4 Mar. 2016

organizations include national economic development agencies, national tourism boards, city councils, and tourism info centers.

The UN World Tourism Organization promotes accessible tourism globally and provides assistance to countries to help local communities develop domestic tourism. According to IBISWorld, the organization helps develop Master Tourism Plans, individual tourist attractions, and tourism recovery for post war communities.

Local travel agencies within the United States have used social media applications including Facebook, Twitter, Instagram, and YouTube to engage with consumers in Michigan, Los Angeles, Philadelphia and also Queensland in Australia. Acquisition of users and user engagement figures have become key performance indicators in marketing groups to determine the quality of community interaction.

Destination Marketing Organizations are also implementing best practices to promote tourism, which include the use of artificial intelligence, collaboration with shared accommodation platforms, and networking with businesses vested in tourism segments to develop new products and schedule special events.¹⁹

Pricing and Distribution: Marketers also factor in pricing models and spend for marketing strategies to decide if they would like to use cost based, demand based or competition based pricing. Distribution refers to the channels where customers can purchase products and services for tourism purposes that provide content and communications to the customer directly, which include online booking websites, travel agencies, and mobile booking applications.

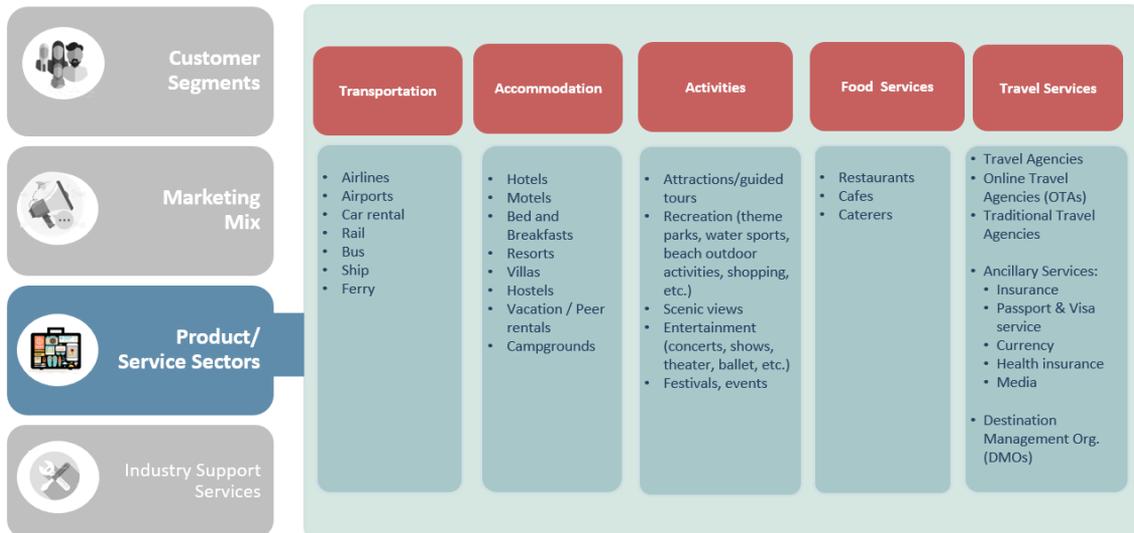
1.2.3 Global Tourism Products/Services and Marketing Landscape

The products/services providers of the global tourism landscape cover a diverse range of sectors broken down into five key categories of transportation, accommodation, travel services, food and beverage, and activities. The largest tourism players include global airlines, hotels and travel agencies and there are over 1.5 million establishments servicing the global tourism industry, according to IBISWorld.²⁰ The large number of services shows the fragmented nature of the tourism industry.

¹⁹ Oates, Greg. "The New Set of Best Practices for Making Smarter Tourism Boards." Skift. 17 Aug. 2015

²⁰ "Global Tourism Report." IBISWorld, 2015.

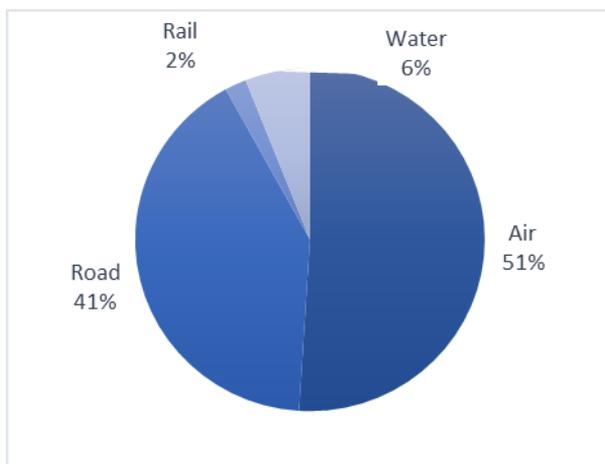
Figure 7: Global Landscape of Tourism Products and Services



Source: DinarStandard, Research and Advisory

Transportation The most popular sub-sectors of transportation include airlines and car rentals. Air transportation accounted for 17 percent of total international visitor expenditure in 2016 and gasoline accounts for 8.5 percent, according to the products and services segmentation by IBISWorld. Airports are also beginning to add complimentary features for travelers, as surveys have revealed travelers would like to have cinemas, sleeping pods and libraries.²¹

Figure 8: Inbound Tourism by Mode of Travel (2011)



Source: UNWTO

²¹ "What Do Frequent Flyers Want from Airports? Cinemas, sleeping pods and libraries." The Bangkok Post". 4 Jul. 2013

The top five airlines globally with the largest percentage of market share include American Airlines Group, Delta Air Lines, Lufthansa Group, United Airlines and Air France - KLM. The revenues for the top five airlines in 2014 are listed below:

- American Airlines Group - \$42.65 billion
- Delta Airlines – \$40.3 billion
- Lufthansa Group – \$39.8 billion
- United Airlines - \$38.9 billion
- Air France – KLM - \$33.1 billion

Emirates is one of the fastest growing international airlines in the world, which is based out of Dubai. Emirates was founded in 1985, and had 10 percent compound annual growth in revenue from 2014 to 2015, with over \$5.5 billion.²²

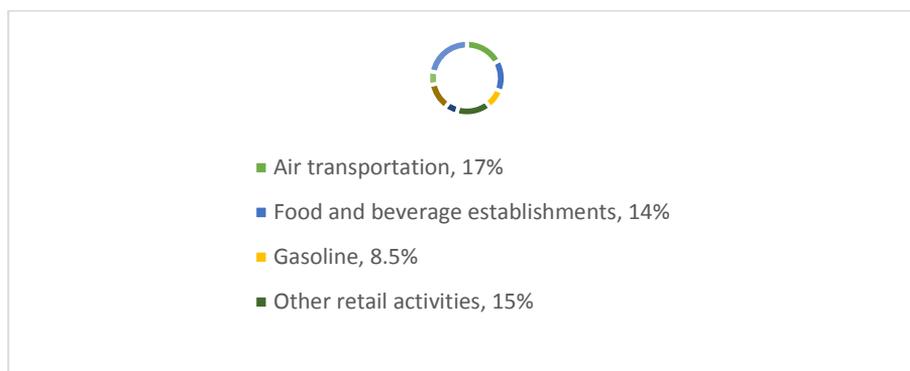
Uber is an online transportation network that offers taxi like services, which can be requested using a mobile app. Uber was founded in 2009 and has raised over \$9 billion in equity funding since inception. The service now operations in over 300 cities globally and is the world's largest venture backed business.²³

Alstom is a rail company in Europe founded in 1928, which is planning to offer high-speed trains, which are energy efficient. The AGV high-speed train introduced in 2010 is revolutionizing the railway industry cite.²⁴

Another company looking to revolutionize transportation is Boom, which is a startup in the United States focusing on supersonic planes, which are planned to travel between New York and London in less than 3 to 4 hours.

Accommodation refers to any type of lodging tourists can secure, which is led by hotels, motels, bed and breakfasts, resorts and villas. According to IBISWorld, accommodation accounts for the largest share of revenue within the landscape, with 22 percent of industry revenue.

Figure 9: Global Tourism Industry Products and Services Segmentation



Source: IBISWorld Global Tourism Report, 2015

²² "Emirates Group announces 27th consecutive year of profit", Emirates, 7 May 2015

²³ "Uber Valued at More Than \$50 Billion", The Wall Street Journal, 31 July 2015

²⁴ "Alstom builds on its leading position in high-speed and very high-speed rail transport", Alstom, 30 November 2011.

The top five accommodation services from the hotel and motel industry include Carnival, Marriott International, Hilton Worldwide Holdings, Royal Caribbean Cruises and Accor. The revenues for these companies in 2014 are listed below:²⁵

- Carnival - \$15.8 billion
- Marriott International – \$13.8 billion
- Hilton Worldwide Holdings – \$10.5 billion
- Royal Caribbean - \$8.1 billion
- Accor – KLM - \$7.2 billion

Marriott is an American hospitality company, which offers a large portfolio of hotels and related lodging facilities. Marriott has been recognized for digital innovation with its “Travel Brilliantly” site, which allows guests to submit user-generated content through the web.

Airbnb was founded in 2008 as an online lodging website, to list, find or rent an accommodation for a set period of time. Airbnb has reached 34,000 cities in 190 countries and has taken share of the hotel and accommodation industry globally. In 2015, the number of guests staying with Airbnb hosts during the summer reached 17 million.

In specific countries, there are also examples of innovative hotels and guesthouses. The Treehotel, a Swedish hotel company, which has “treerooms”, which are hotel rooms on treetops that are off the ground and eco-friendly designed, with hydroelectric underfloor heating. Another company with an innovative concept is the Whitepod hotel, in the heart of the Swiss Alps that has futuristic igloos lit by lanterns.²⁶

Food and Beverage is a major sector within global tourism that accounts for consumption by tourists in restaurants, cafes, and caterers. International travelers have been estimated to spend 14 percent of industry revenue on food and beverage.

- Yelp is a crowdsourcing review website that provides reviews for food and beverage restaurants, cafes and cuisines around the world. Yelp was founded in 2004, went public in 2012 and had \$550 million in revenue in 2015.
- OpenTable is an online restaurant reservation service, founded in 1998, with reservations in over 30,000 restaurants globally. OpenTable went public in 2009 and was acquired by Priceline in 2014 for \$2.6 billion.
- Elevation Burger is a burger chain, which is expanding to international markets and is gaining traction by consumers due to its natural and organic produced meat.
- Meal Sharing is a company that connects travelers with locals to share home cooked meals in local communities. Hosts are able to prepare a menu for travelers and collect payment through the site.

Activities are any type of recreational or attraction service, which includes attractions and guided tours, recreational activities, scenic views, entertainment and festivals or events. Although these activities may be considered non-essential, they account for over 20 percent of industry revenue.

²⁵ "The World's Biggest Public Companies." Forbes. 2015

²⁶ Dunne, Carey. 10 of the World's most Innovative Hotels." Web. 19 Feb. 2014

- Viator is a booking website for tours and activities globally, with activities in over 150 countries. Viator was founded in 1995 and acquired by TripAdvisor for \$200 million in 2014.
- WildChina is a tour company in China founded in 2000, which provides adventure travel tours through China, which can be customized by users.
- Peek is an innovative activity booking site, founded in 2012, which has raised \$6.9 million in 3 rounds of funding to provide a sustainable consumer technology, which empowers operators to manage and grow their business.
- Trending activities include culinary tasting tours popular in Eastern Europe and safari tours in South Africa.

Travel Services include travel agencies and ancillary service providers. Travel agencies are the primary entities that handle the full suite of services to travelers including transportation, accommodation and activity reservations, as well as travel insurance. Online travel agencies have become prominent in recent years and traditional travel agencies have been facing challenges. Ancillary service providers also handle travel insurance, in addition to passport or visa services, currency exchange, and health insurance. Travel arrangement and reservations account for 6 percent of the global tourism products and services market share according to IBISWorld.²⁷ Online travel bookings and travel sector applications are growing rapidly as online travel agencies offer the best rates for transportation and accommodation bookings. Online travel agencies are expected to account for 39 percent of online travel spending in 2017, according to Travel Weekly.²⁸ According to SKIFT, the top online travel booking sites include Booking.com, TripAdvisor, and Expedia²⁹:

- Booking.com, which is owned by Priceline, was founded in 1996 and is an online accommodation booking website, which has reached 21 million rooms listed in 2015. The site has over 800,000 properties listed currently globally.
- TripAdvisor is a travel related content site, which hosts interactive forums and incorporates user-generated content. TripAdvisor was founded in 2000, acquired by Expedia in 2004 and, and spun off as a public company in 2011. TripAdvisor originally sourced revenue from digital advertising, but has recently launched a booking platform.
- Expedia is a global online travel brand with \$5.8 billion revenue in 2014. Expedia is the parent company for Hotels.com, Hotwire.com, trivago, Egencia and more.
- Google plans to roll out a travel assistant mobile application for Android and iPhone in 2016 to build out a platform to facilitate peer- to- peer tours.³⁰

Source: Listed companies compiled based on review of aforementioned reports, including IBIS World, supplemented by review of individual company websites and annual financial reports

²⁷ "Global Tourism Report." IBISWorld, 2015.

²⁸ "Phocuswright: OTAs beating hotels badly in mobile technology", Travel Weekly, 08 March 2016

²⁹ "The Most Popular Online Booking Sites in Travel, 2014 Edition", Skift, 17 June 2014

³⁰ Schaal, Dennis. "Google is Planning on launching a Travel Assistant App." Skift. 25 Apr.2016

2 Conceptual Framework and Global Landscape of MFT Products/Services

2.1 Definition of Muslim Friendly Tourism

The tourism industry uses a variety of terms to describe the products and services targeting Muslim travelers. HalalBooking.com uses the term “Halal Travel” while some hospitality providers describe their hotels as “Shariah compliant” as in the case of Sofyan Hotels in Indonesia, others use “Halal hotel” as in the case of Adenya Resort in Turkey, “Dry hotel” as in the case of Porto Hotels in Egypt, or “Muslim-friendly” as in the case of Shaza Hotels. In the literature, academics mostly use the terms “Halal Tourism” and “Islamic Tourism” in reference to tourism products and services addressing Muslim travelers’ needs. In a previous study, commissioned by COMCEC, Muslim-Friendly Tourism was equated with Halal Tourism and defined as “the activities of Muslim travelers who do not wish to compromise their faith-based needs while travelling for a purpose, which is permissible.”³¹

1. Islamic vs. Halal Tourism

Early definitions of Islamic Tourism have focused on tourism with religious nature but academics later expanded the definition to incorporate any “tourism in accordance with Islam, involving people of the Muslim faith who are interested in keeping with their personal religious habits whilst traveling.” Halal Tourism definitions stress more the idea of Shariah compliance; many academics define it as “any tourism object or action that is permissible according to Islamic teachings to use or engage in by Muslims in the tourism industry.”³²

A variety of attributes have been pointed out by academics as necessary for tourism products and services to be Halal or Shariah compliant. Shariah compliance for food products is more established and far less ambiguous than that of other products and services in the tourism industry. Theoretically, a Shariah compliant hotel should also be free of alcohol drinks and any entertainment that is incompatible with Islamic principles, as well as having separate entertainment facilities for men and women. Additionally, some academics posit that Shariah compliance also relates to the financial and human resources aspects of hotel operation and management in that they comply with Islamic principles. However, there is a lack of consensus on the necessary attributes for a Shariah compliant hotel which consequently makes it difficult to measure the level of hotels’ Shariah compliance.³³

³¹ “Muslim-Friendly Tourism: Understanding the Demand and Supply Sides in the OIC Member Countries.” COMCEC, Feb. 2016. Web.

³² Battour, M., and Ismail, M.N. “Halal Tourism: Concepts, Practices, Challenges and Future.” *Tourism Management Perspectives* (2015)

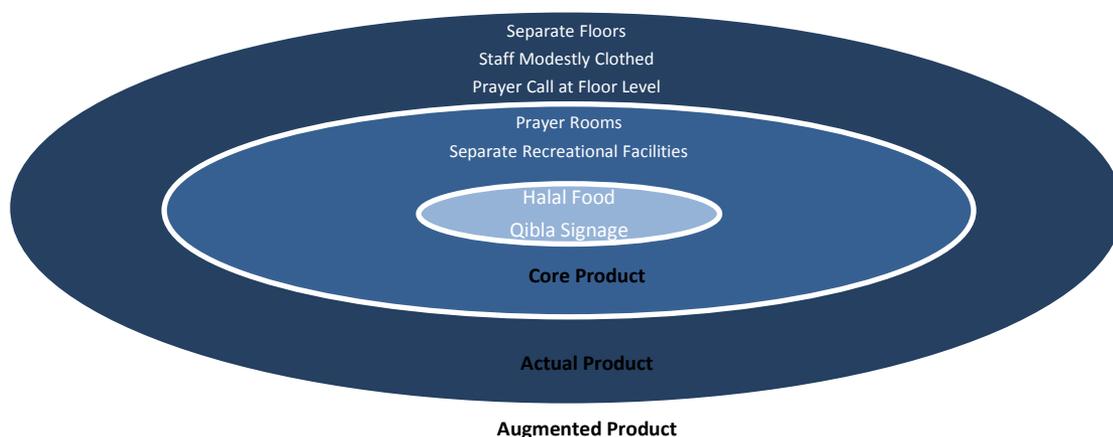
³³ Razalli, Mohd Rizal and Abdullah, Suzzaini and Hassan, Mohamad Ghazali (2012) Developing a model for Islamic hotels: Evaluating opportunities and challenges. In: International Conference on Knowledge, Culture and Society 2012 (ICKCS 2012), 29-30 June 2012, Jeju Island, South Korea. (Unpublished)

2. Muslim Friendly Tourism (MFT)

Muslim Friendly Tourism, a term that owes its existence mainly to industry professionals³⁴ and media outlets³⁵, has been gaining ground recently in terms of being used in reference to tourism offering products and services that accommodate Muslim travelers' needs to varying extents. While some may use the terms "Halal Tourism" and "Muslim-Friendly Tourism" interchangeably, the term "Muslim-friendly" is used mainly to describe services and products that seem to encompass the full spectrum of Shariah compliance. A hotel providing a prayer area and limited Halal food options can label itself Muslim-friendly³⁶ without having to stick to all the attributes of a Shariah compliant hotel. The label Muslim-friendly makes it more feasible for tourism providers to appeal to Muslim travelers; however, this label remains ambiguous in the absence of unified standards to measure the degree of Muslim friendliness, let alone Shariah compliance of such providers.

Some researchers have proposed three levels, illustrated in the diagram below, for classifying the services provided by hotels; core, actual and augmented services. In the framework of the MFT product offering, the core services represent the primary benefits to hotel guests such as a clean room, Qibla signage, and Halal food. While actual services would include additional services such as separate recreation facilities for females and males and prayer rooms. As for the augmented services, consisting of add-ons and guarantees, they would include offering suhoor and breakfast meals, having staff wear modest uniforms, call to prayer at floor level, offering Islamic tourism packages, and having separate male and female floors.³⁷

Figure 10: Muslim-Friendly Hotel Product Levels



Source: Based on Concepts from Md Salleh et al

³⁴ The term has been used widely by industry experts, international organizations as well as DMOs.

³⁵ The term has been used in reference to services and products offered at destinations in a variety of news outlets and providers including Reuters, CNN, etc.

³⁶ Travel websites offering a list of Muslim friendly hotels show a myriad of offerings varying greatly in terms of degree of Shariah compliance.

³⁷ Md Salleh, Nor Zafir, Abu Bakar Abdul Hamid, Noor Hazarina Hashim, and Siti Zaleha Omain. "The practice of Shariah compliant hotel in Malaysia." *International Journal of Trade, Economy and Finance* (2014) 5:26-30.

2.2 Muslim Travelers' Journey and Preferences

Islam prescribes a halal way of life to its adherents, which means that Muslim consumption behavior and patterns are governed by Islamic beliefs. It follows that the choice of a tourism destination for Muslims is influenced by the availability of Muslim-friendly amenities and services that cater for their needs. The influence of religion goes beyond destination choice to hotel selection, service expectations, food consumption and preferences for Muslim-friendly activities.³⁸ A number of studies have attempted to identify Muslim traveler needs and their relative importance in terms of consumer decision making. Availability of Halal food, prayer areas, segregated entertainment facilities, and not offering alcohol, gambling and adult channels are among the list of Muslim traveler needs proposed by academics.³⁹

1. Muslim Traveler Survey Profile

To have a clear understanding of the relative importance of these needs and their effect on Muslim traveler decision making with regard to destinations in general and to tourism products and services provided at destinations in particular, a global online consumer survey was conducted from March 6th to April 20th, 2016. The findings of the survey, with regard to traveler journey, consumer destination selection criteria, and religious needs at various journey touchpoints, are presented in the following parts of this section.

The survey total sample included 1120 respondents. It consisted of 56% female and 44% male respondents. With respect to the age composition of the sample, 43% of the respondents were aged from 25-35, a quarter of the respondents were aged from 36-45. Another 18% of the respondents were over 45 years of age and the rest were aged from 18 -25.

As for their marital status, half of the sample respondents were married with children, while more than a quarter of the respondents (28%) are single. Another 14% of the respondents were married without children, and the rest were either engaged, divorced or widowed. More than half of the respondents (55%) were university degree holders; another 35% held post graduate degrees while the rest held school degrees.

With regard to their occupation, 42% worked in the private sector and another 17% in the public sector, while 16% were business owners, 11% were home makers, and 10% were students. The rest of the respondents (4%) were unemployed.

Table 1: Sample Demographics

Gender	% of Respondents
Male	44
Female	56
Age	% of Respondents
18-25	14
25-35	43
36-45	25
Over 45	18
Marital Status	% of Respondents
Single	27.9
Married without children	14.1
Married with children	50.4
Other	7.5
Education	% of Respondents
School Degree	10
College/University	55
Post Graduate	35
Occupation	% of Respondents
Private Sector Employee	42

³⁸ Mohamed A. Nassar , Mohamed M Mostafa , Yvette Reisinger. (2015) "Factors Influencing Travel to Islamic Destinations: an Empirical Analysis of Kuwaiti Nationals", *International Journal of Culture, Tourism and Hospitality Research*, Vol. 9: .36 - 53

³⁹ Battour, Mohamed, Moustafa Battor, and Muhammad Awais Bhatti. "Islamic Attributes of Destination: Construct Development and Measurement Validation, and Their Impact on Tourist Satisfaction." *International Journal of Tourism Research* 16.6 (2014): 556-564.

More than a third (37%) of the sample had an income less than \$20,000 while another quarter (24%) had an income from \$20,000-\$39,999, and the rest had higher incomes as outlined in the table below.

As for the geographical distribution of survey respondents, more than a third of the respondents (36%) live in GCC countries namely Saudi Arabia, UAE, Qatar and Kuwait. Close to a third of the respondents (29%) live in European and North American countries namely Turkey, UK, USA and Canada, while 18% live in Asian countries namely Malaysia, Indonesia, Singapore and India. Respondents from African countries represent 15% of the sample and are residents of Nigeria, South Africa and Kenya. 3% of the respondents were from Egypt (MENA-Other). Two third of the respondents are residents of OIC countries.

Government Employee	17
Business Owner	16
Homemaker	11
Student	10
Unemployed	4

Income	% of Respondents
Up to \$19,999 annual	37
\$20,000-39,999 annual	24
\$40,000-59,999 annual	15
\$60,000-79,999 annual	11
\$80,000 and above	14

Region	% of Respondents
MENA- GCC	36
Europe and North America	29
Asia	18
Africa	15
MENA- Other	3

OIC Status	% of Respondents
OIC	66
Non OIC	34

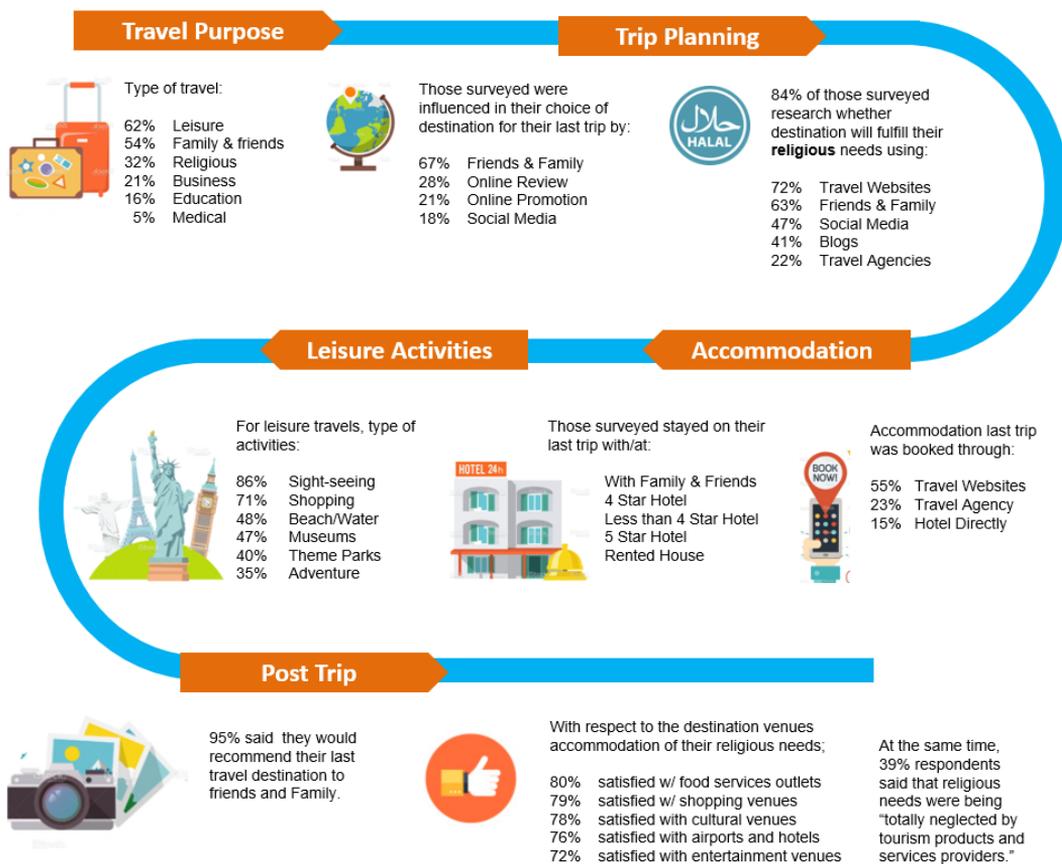
2. Muslim Traveller Journey

The survey responses paint a strong picture of the overall travel experience journey of Muslim travelers' beginning from their travel motivation/ purpose, trip planning, accommodation selection, to activities done, and level of satisfaction. The following diagram and key findings of the survey summarize Muslim travelers' journey in terms of travel purpose, trip planning, accommodation, leisure activities and satisfaction.

Respondents were asked about the **countries they traveled to in the past two years**, the countries mentioned included; Saudi Arabia 32%, UAE 22%, India 19%, Malaysia and Maldives 16% each, US and UK 11% each, Indonesia 10%, Singapore, France and Turkey 8% each, Pakistan and Thailand 7% each, Egypt 6%, and Australia, Canada, China and Qatar 5% each. A number of other countries mentioned by respondents (3-4% each) included; Australia, Bahrain, Germany, Italy, Japan, Morocco, Oman, Philippines, South Korea, Spain and Switzerland.

Each respondent mentioned at least traveling to two destinations within the last two years (a minimum of one trip per year); with the average for respondents from all regions getting close to three trips per year (more than one trip per year) except for respondents from African countries (average of one trip every two years).

Figure 11: Traveler Journey



When asked about the **average number of days spent on a trip**, the general average for all respondents was 15 days. However, there were some differences according to region with the GCC respondents having an average of 20 days, African respondents 14 days, European and North American 13 days, and Asian 11 days.

With regard to the **purpose of their trips**, leisure topped the list (62%), followed by visits to family and friends (54%), religious (32%), business (21%), education (16%), and medical purposes (5%). As for **whom they usually travel with**, 68% of the respondents stated travelling with family members, 14% travel alone and 12% travel with friends. With respect to the **activities they engage in** while on their leisure trips, sight-seeing was the activity most mentioned (86%) followed by shopping (71%), beach/water related activities (48%), visiting museums (47%), theme parks (40%) adventure activities (35%), cruises (18%) and sports activities/events (11%).

As for the **timing of their trips**, December had the highest mentions (38%) followed by July and August (31% each), June (23%) and April (22%). All other months in addition to Eid al Fitr and Eid al Adha were mentioned by 13-18% of the respondents except for Ramadan which was only mentioned by 7% of the respondents. However, there were some differences between different regions with respect to timing of trips; December was mentioned more by Asian (47%) and African respondents (49%), July and August were mentioned more by GCC (44% and 38% respectively) and European and North American respondents (44% and 48%

respectively), and April was mentioned more by Asian (30%), and European and North American respondents (28%).

Respondents were also asked whether they **research destinations before traveling** to ensure they meet their religious needs, 84% affirmed that they do. They mentioned getting the information through travel websites (72%), from family and friends (63%), social media (47%), blogs (41%), travel agencies (22%), and advertising (12%).

When asked about **what influenced them to choose to travel to the last destination** they visited, 67% mentioned being influenced by recommendations from family and friends, 28% cited online reviews followed by online promotions (21%), and social media (18%).

With regard to their **accommodation during their last leisure trip**, 53% of the respondents stayed in hotels (13% in 5 star hotels, 23% in 4 star hotels, and 17% in less than 4 star hotels), while 30% stayed with family and friends, 12% rented houses/apartments and 5% stayed in hostels.

With respect to the **booking method used** for those who didn't stay with family and friends, 55% mentioned using travel websites, 23% cited going through travel agencies, and 15% mentioned contacting hotels directly. The rest of the respondents (7%) cited numerous other tools including walk-in reservations or someone else doing reservations for them.

Respondents were asked about whether they were **satisfied with their last destination** various venues accommodation of their religious needs. The scale used was a 5 point scale with the following response categories: extremely satisfied, very satisfied, satisfied, neutral, unsatisfied, very unsatisfied, and extremely unsatisfied. 80% cited that they were satisfied with food and beverage venues, followed closely by being satisfied with shopping venues (79%), cultural venues (78%), and airports and hotels (76% each), while 72% of respondents were satisfied with entertainment venues. There were some differences between regions with regards to the level of satisfaction. Across all categories, the highest level of satisfaction was that of respondents from African countries (83-87%), followed by those from GCC (76-84%), Asia (74-82%), and Europe and North America (76%). For hotels, the highest level of satisfaction was that of respondents from African countries (86%), followed by those from GCC (82%), Asia (80%), and Europe and North America (72-78%).

It is also worth noting that when asked about if there is a specific **religious need that was totally neglected by tourism products and services providers**, 39% of the respondents said there were. Availability of Halal food and prayer areas at different venues were the main two areas of concern to Muslim travelers.

With regard to whether they would **recommend the destination** to friends and family members, 95% of the respondents mentioned that they would.

3. Destination Selection Criteria

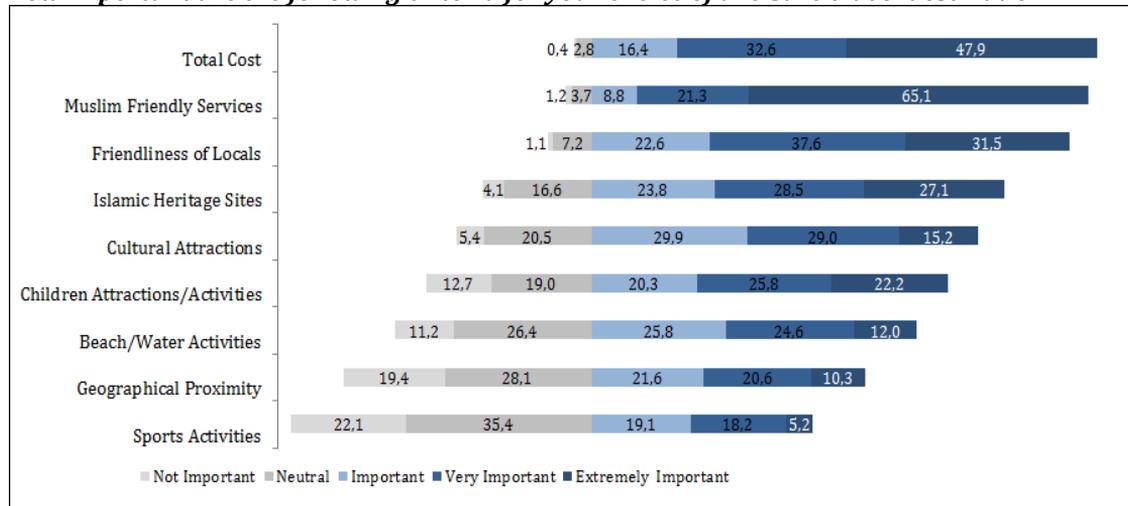
Survey respondents were asked to rate the importance of a number of criteria, shown below in the graph, for their choice of a leisure destination. The criteria were randomized in order to avoid order bias. The scale used was a 5 point scale with the following response categories: extremely important, very important, important, neutral and not important.

The graph below details the results from the survey and shows that;

- While total cost is the top criteria for destination choice, Muslim-friendly services, which come as a close second, were seen by the largest percentage of the respondents (65%) as extremely important;
- Friendliness of locals comes third with close to a third of the respondents (32%) deeming it as extremely important;
- The presence of Islamic heritage sites was also seen as important by respondents (79%), followed by that of cultural attractions (74%), children activities (68%), and beach/water activities (62%);
- Geographical proximity to destination and presence of sports activities came low on the list (52% and 42% respectively).

“Figure 12: Destination Selection Criteria

“How important are the following criteria for your choice of a leisure travel destination?”



4. Muslim Travelers’ Preferences at Various Journey Touchpoints

Respondents were asked to rate the importance of the provision of a number of services at the various touchpoints in their journey including; hotels, restaurants and the different venues they may use at a destination such as airport, tourist venues, shopping malls, and theme parks. The findings are presented in the following parts of this section.

- **Accommodation**

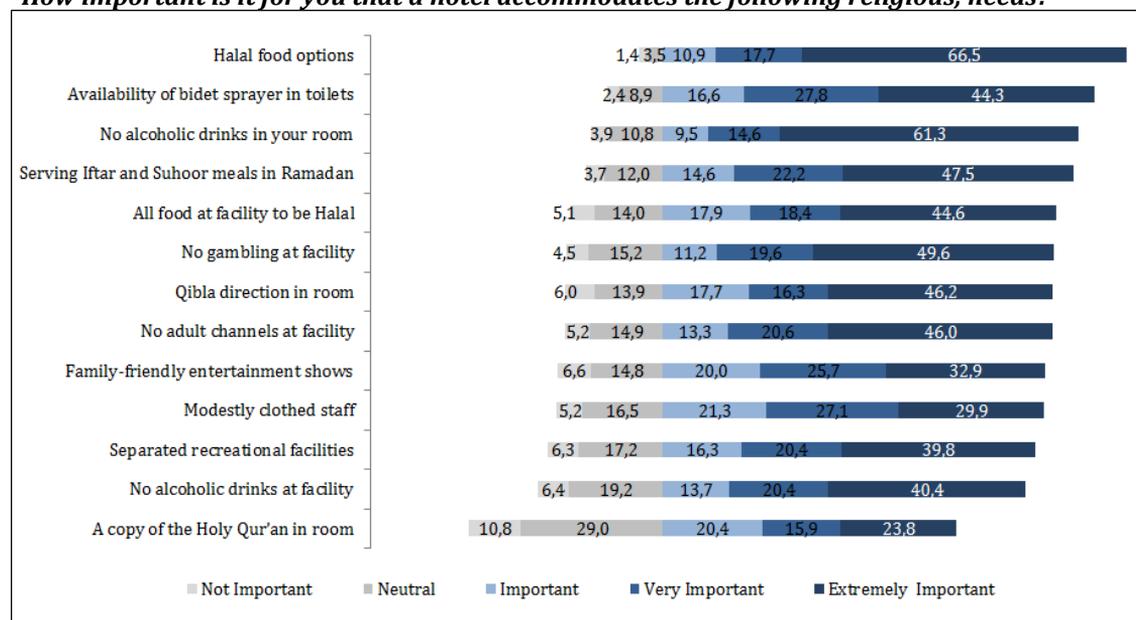
Survey respondents were asked to rate the importance of a hotel providing a number of services to accommodate their religious needs. The services categories were not randomized to avoid creating confusion for respondents as some of the categories were asking about same element in varying degrees, such as having Halal food options and having all food at facility to be Halal. The scale used was a 5 point scale with the following response categories: extremely important, very important, important, neutral and not important.

The graph below details the results from the survey and shows that;

- The presence of Halal food options is important to 95% of the respondents, with two thirds of the respondents classifying it as is extremely important;
- While the availability of a bidet shower/sprayer in toilets has more respondents (89%) classifying it as important compared to no alcoholic drinks being in the room (85%), more respondents rated no alcoholic drinks in the room as being extremely important;
- Serving Ramadan meals was also rated as important by 84% of the respondents with close to a half of them rating it as extremely important;
- The other services, including all food at facility being Halal, provision of Qibla direction in room, having modestly clothed staff, family entertainment shows and male and female separated recreational facilities, and not offering alcohol, gambling and adult channels, were all rated closely with 75-80% of the respondents seeing them as important with the exception of providing a Quran copy in the room which had only 60% of the respondents rating it as an important service to be provided by hotels.

Figure 13: Hotel Services Importance Rating

“How important is it for you that a hotel accommodates the following religious, needs?”



Restaurants/Food Outlets

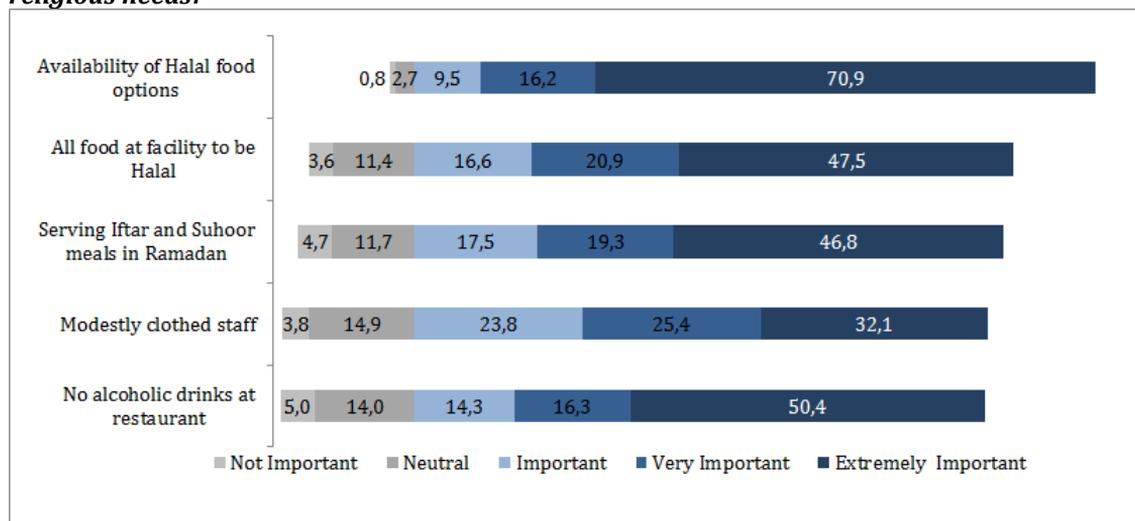
Survey respondents were asked to rate the importance of a restaurant/food outlet hotel providing a number of services to accommodate their religious needs. The services categories were not randomized to avoid creating confusion for respondents as some of the categories were asking about the same element in varying degrees, such as having Halal food options and having only Halal food at the facility. The scale used was a 5 point scale with the following response categories: extremely important, very important, important, neutral and not important.

The following graph details the results from the survey and shows that;

- The most important service is the provision of Halal food options with 96% rating it as important and 71% of respondents qualifying it as extremely important;
- Both serving Ramadan meals and having only Halal food at the facility have around 85% of respondents rating them as important;
- Having modestly clothes staff and no alcoholic drinks at restaurants/ food outlets was rated as important by around 81% of respondents, however, more respondents (51%) qualified having no alcoholic drinks at restaurants as extremely important compared to modestly clothed staff (32%).

Figure 14: Restaurant/Food Outlet Chain Services Importance Rating

“How important is it for you that a restaurant/food chain outlet accommodates the following religious needs?”



• Transportation and Entertainment Venues

Survey respondents were asked to rate the importance of different venues at the destination (airport, tourist venues, shopping malls, and theme parks) providing a number of services to accommodate their religious needs. The services categories were not randomized to avoid creating confusion for respondents as some of the categories were asking about same element in varying degrees, such as having Halal food options and having all food at facility to be Halal. The scale used was a 5 point scale with the following response categories: extremely important, very important, important, neutral and not important.

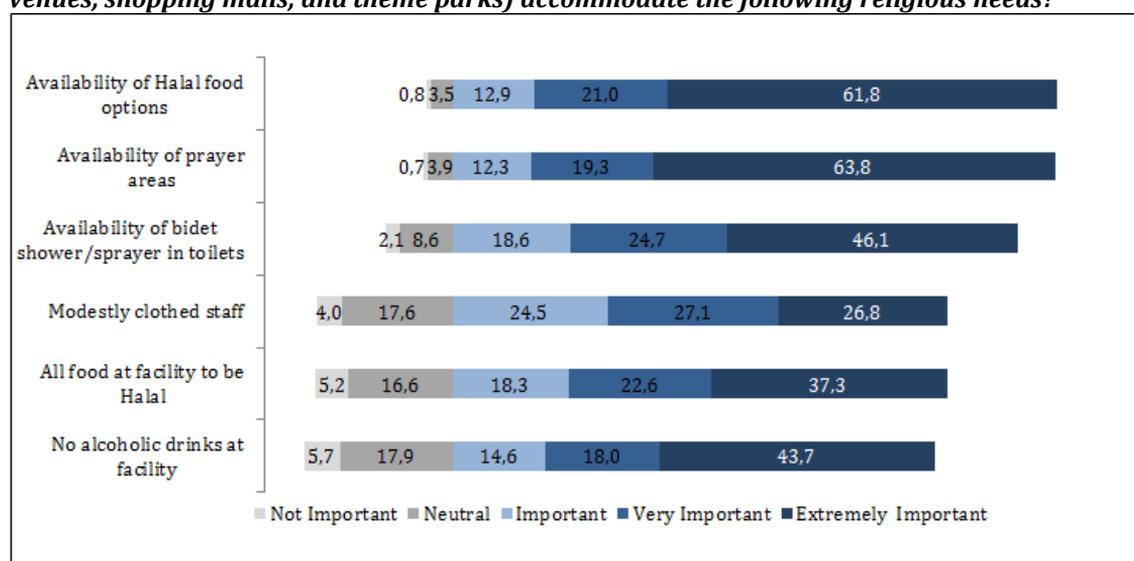
The graph below details the results from the survey and shows that;

- The two most important elements for Muslim travelers are the availability of Halal food options and prayer areas with 95% of the respondents rating them as important and more than 60% qualifying them as extremely important;

- The availability of bidet shower/sprayer in toilets came next with 89% of the respondents rating it as important followed by having modestly clothed staff and all food at venues be Halal with 78% rating them as important but with Halal food being qualified by more respondents (37%) as extremely important compared to staff modest clothing (27%);
- Having no alcoholic drinks at venues came at bottom of list with 76% rating it as important but with 44% of respondents qualifying it as extremely important.

Figure 15: Transportation and Entertainment Venues Services Importance Rating

“How important is it for you that the different venues at the destination (airport, tourist venues, shopping malls, and theme parks) accommodate the following religious needs?”



2.3 Current Global Landscape of MFT Products and Services

MFT products and services are starting to multiply and diversify. New players have entered the MFT market adding to the global supply of MFT products and services especially in the hotels and restaurants area. Additionally, new product offerings have been created recently to accommodate Muslim traveler needs including; Muslim Friendly cruises, airlines and mobile travel applications. The following sections provide an overview of the MFT products and services available and examples of providers in each area. In this part, examples from non-OIC government policies and initiatives in the various areas will be provided, while examples from OIC countries will be mainly covered in the next part of the report (Section 5.2).

1. Transportation

The transportation segment has been increasingly adapting itself to Muslim traveler needs. Whether in terms of mainstream providers instituting minor changes like providing Halal meals at airports, onboard flights and cruises, or in terms of specialized MFT services providers seeking to provide a more tailored product, as not offering alcohol onboard flights and cruises and providing Sharia compliant entertainment.



Muslim-Friendly Airports

Many destinations have started to make their airports Muslim-friendly by providing prayer areas and washrooms as well as providing Halal food options. Japan is one of the countries that recently paid a lot of attention to accommodating Muslim travelers from the moment they reach the country that meant that a number of Japanese airports worked on ensuring they can cater to Muslim traveler needs.

An example of this is Kansai International Airport which has allocated three prayer rooms at different terminals as well as ablution areas to enable Muslim travelers to cleanse before praying. The airport also has a number of restaurants preparing Halal food including three 'Halal certified' restaurants.⁴⁰

In Thailand, a number of airports provide prayer rooms and Halal restaurants including Bangkok's Suvarnabhumi Airport, Chiang Mai International Airport, and Phuket International Airport.⁴¹ In the Netherlands, Amsterdam Airport Schiphol offers a "multi faith" prayer room and has a Halal restaurant.⁴²

Muslim-Friendly Airlines

While many airlines have started providing Muslim travelers with Halal meals on board in an effort to cater to their needs, some airlines have started to provide more services such as airing travel supplications, providing Islamic media content and in some cases not offering alcohol onboard. British Airlines offers Halal food on some of its routes originating from London Heathrow Airport. Its in-flight caterer Gate Gourmet uses a completely Halal production process starting with the preparation of food to its storage and transportation. Some airlines also prohibit alcohol and air pre-recorded Muslim supplications during takeoff such as Air Arabia, Kuwait Airways and Saudi Arabian Airlines.⁴³

The U.K. based Firnas Airways, founded by Bangladeshi businessman Kazi Shafiqur Rahman, is scheduled to start operation in 2016 with services to South Asia and plans to expand to Saudi Arabia and Iran. In addition to providing Halal food, the airline, which uses Shariah compliant finance, it has a modified "staggered" cabin layout to ensure privacy and doesn't offer alcohol on board.⁴⁴

Muslim-Friendly Cruises

Muslim Friendly cruises are one of the more recent product offerings in the MFT market. While some mainstream tourism providers try to accommodate Muslim traveler basic needs in terms of Halal food, a number of companies have started to offer cruises that provide other services besides Halal food such as segregated entertainment areas and prayer space in addition to not offering alcohol or gambling. Disney cruises provide an example of a key player in the mainstream cruise industry that offers Halal food to accommodate Muslim travelers, provided they were notified ahead of the trip with the travelers' needs.

Other companies have sought to address the MFT sector with specific products developed to better accommodate Muslim travelers. The Salaam Cruise, established in the U.S. in 2010, offered

⁴⁰ Battour, M., and Ismail, M.N. "Halal Tourism: Concepts, Practices, Challenges and Future." *Tourism Management Perspectives* (2015)

⁴¹ Please refer to Thailand case study for more information.

⁴² "Facilities for Muslims at the Busiest Airports in the Netherlands." HalalTrip. 9 Nov. 2015. Web.

⁴³ Stephenson, Marcus L. "Deciphering 'Islamic hospitality': Developments, challenges and opportunities." *Tourism Management* 40 (2014): 155-164.

⁴⁴ Yousef, Deena Kamel. "Firnas Air to pitch Shariah-friendly flights for London Muslims." Stuff. 2 Oct. 2016.

its first three-day long trips to the Bahamas in a Muslim-friendly environment in 2012 with Halal only food and no alcohol or gambling on board. In 2013, the Malaysian SuperStar Libra Luxury ship started providing Halal food. One of its restaurants was Halal certified by Malaysia's Department of Islamic Development (JAKIM).⁴⁵ In 2015, The Antalya based Fusion Tour Company in Turkey launched a four night Halal cruise under the theme "On the Trail of the Ottomans" that sails to Crete and Rhodes.⁴⁶ Alcohol, pork-related products and gambling are not offered on board. The cruise ship has segregated sports centers, spa facilities, and Turkish baths. It also has prayer rooms.⁴⁷

2. Accommodation

Hotels chains around the world have started to work on accommodating Muslim travelers needs in an effort to enter the lucrative MFT market. However, this is an area where the lack of standardization and certification becomes very clear with every hotel adopting its own standards for what is Muslim-friendly.

- The Dorchester Hotel in London offers Halal food and adjusts meals serving time in Ramadan to accommodate fasting guests, while Sofyan Hotels in Indonesia broadcast the call to prayers within guest rooms and conducts congregational prayers.
- Beach resorts in Southern Turkey dedicate swimming pools, beaches and spa areas for women only and provide Halal food and do not offer alcohol.⁴⁸
- Aerostar Hotel in Moscow has a number of rooms designated for Muslim travelers and it provides them with a copy of the Quran, a prayer mat and the Qibla direction besides having a Halal certified kitchen. The hotel has also two segregated prayer rooms.
- In Thailand, the recently opened Al Meroz Hotel in Bangkok became certified as a Muslim-friendly hospitality provider by the UAE's Gulf Halal Center. The hotel offers Halal food and prayer rooms in addition to having a women-only floor and a swimming pool with different hours for men and women.⁴⁹
- In the Philippines, Crimson Resort provides Qibla signage, prayer mats and copies of the Quran in rooms for their Muslim guests in addition to providing them with an information booklet with prayer times, nearby mosques and Halal restaurants. The hotel has modified one of its kitchens to be become a Halal kitchen and has obtained Halal certification through the Department of Tourism Halal Program.⁵⁰ Fairmont Makati and Raffles Makati hotels in Philippines provide Quran copies and prayer room.⁵¹

⁴⁵ Latif, Haroun. "Muslim cruises setting sail towards a \$1.6 billion business opportunity." Salam Gateway. 20 Jan. 2016.

⁴⁶ "Turkey: Travel company offers Halal cruise." BBC. 5 Aug. 2015

⁴⁷ Battour, M., and Ismail, M.N. "Halal Tourism: Concepts, Practices, Challenges and Future." *Tourism Management Perspectives* (2015)

⁴⁸ "The State of the Global Islamic Economy Report 2015/16" DinarStandard and Thomson Reuters, 2015.

⁴⁹ Please refer to Thailand case study for more information.

⁵⁰ Cacho, Katlene O. "Crimson gets Halal-certified under DOT program." Sun Star. 7 Apr. 2016.

⁵¹ Battour, M., and Ismail, M.N. "Halal Tourism: Concepts, Practices, Challenges and Future." *Tourism Management Perspectives* (2015)

- In Spain, the Macia Condor hotel, in Granada, provides Muslim tourists with information on nearby Halal restaurants and mosques in addition to indicating Qibla direction and prayer times.⁵²
- Florida Reality Investments, a U.S. company offering holiday rental properties, equipped fifty of their rental properties in Orlando near Disney World and other parks with furnishings to ensure preservation of modesty and privacy of Muslim travelers such as providing curtains around the pool deck.⁵³

3. Activities

A growing number of cultural, entertainment and shopping venues and recreational facilities in their bid to appeal to Muslim traveler needs have started offering Halal food and prayer spaces. In London, Westfield shopping center provides prayer rooms while Selfridges extends opening hours before and during Ramadan.⁵⁴

- In South Korea, Gyeonggi-do attractions, such as Woongjin Playdoci and Everland amusement parks, the Korean Folk Village in Yongin, and Petite France in Gapyeong provide prayer rooms with prayer mats and Qibla signage.⁵⁵
- In Japan, a popular department store in Tokyo opened a prayer room while some karaoke establishments started offering Halal food options as well as providing prayer rooms.⁵⁶
- In Australia, a number of theme parks and shopping centers in the Gold Coast provide prayer rooms and Halal food options.⁵⁷
- Additionally, some recreational facilities like spas have begun to offer tailored services to Muslim travelers such as the gender-segregated Halal spas in Thailand that offer male masseurs for men and female ones for women.⁵⁸

4. Food and Beverage

The number of Muslim-friendly and Halal certified restaurants is on the rise in many countries. The availability of Halal food is one of the important things that Muslim travelers look for and providing them with local cuisine that is Halal allows them to have a more enjoyable well-rounded experience at the destination. There is still a variety in terms of the level of Shariah compliance of Muslim-friendly restaurants; some may only offer some Halal options while others may have Halal only food prepared in Halal certified kitchens. In the UK, almost a 100 KFC outlets and a fifth of Nando's restaurants offer Halal-certified chicken. The same is true of Chicken Cottage, Dixy Fried Chicken, Pizza Express and Perfect Fried Chicken.⁵⁹ In South Korea, Namiok restaurant in Nami Island specializes in traditional Korean

⁵² Please refer to Spain case study for more information.

⁵³ Batrawy, Aya. "Halal tourism on the rise, with apps and curtained pool decks." Stuff. 27 Oct. .2015.

⁵⁴ Ilyas, Sara. "How fashion is courting the Muslim pound." The Guardian. 12 Jun. 2015.

⁵⁵ "A Slim Destination for Muslim travelers." South Korea: Gyeonggi-Do Tourism Organization. Web.

⁵⁶ Please refer to Japan case study for more information.

⁵⁷ Mick, Hans. "Arab tourists flocking to Gold Coast." ABC. 29 Sep. 2007.

⁵⁸ Please refer to Thailand case study for more information.

⁵⁹ Battour, M., and Ismail, M.N. "Halal Tourism: Concepts, Practices, Challenges and Future." *Tourism Management Perspectives* (2015)

stir-fried chicken rib, using Halal chicken for Muslims, and also provides a prayer room on the premises.⁶⁰ In Japan, many restaurants have altered their dishes to become Halal. Authentic Japanese dishes like shabu-shabu was altered using thinly sliced beef instead of the dish's normal pork while other dishes such as Ramen and curry are also being modified to become Halal certified.⁶¹ In Spain, Nur Restaurant in Cordoba, which serves traditional Andalusian cuisine, offers Halal options on their menu while Cuna45 Coffee shop in Seville offers specialty artisan roasted coffee in a Halal environment.⁶²

5. Travel Services

The travel services segment has expanded and adapted itself to Muslim traveler needs whether in terms of mainstream providers adding Muslim-friendly services to their range of services or new service providers tackling the MFT market specifically. Both government agencies and the private sector have put their mark on the MFT travel services segment especially in terms of developing travel websites and mobile apps.

Muslim Friendly Travel Agencies

Travel agencies are increasingly tailoring their packages and tours to cater to the needs of Muslim travelers providing them with Muslim Friendly accommodation options and organizing tours with activities suitable to their culture and beliefs and building itineraries around prayer times. Some travel agencies offer Islamic Heritage tours that allow Muslim travelers to explore the history of the Islamic civilization in the countries they visit.⁶³ In Japan, a number of travel agencies tailored their services to accommodate Muslim tourists. Some of these agencies have Muslim tour guides and organize Islamic heritage tours that include visiting mosques and the Islamic sites in Japan.⁶⁴ In Spain, a number of tour operators target Muslim travelers through specially tailored tours to give them “a taste” of its Islamic legacy and history as well as culture.⁶⁵

Muslim Friendly Travel Websites

A number of specialized B2C and B2B travel websites addressing the MFT market have emerged in recent years. HalalBooking was an early entrant to the B2C market showcasing “Halal-friendly travel”; its success has prompted a number of other providers to follow suit. The “HalalBooking.com” website, launched in 2009 out of the UK, offers Halal leisure holidays and Islamic Heritage Tours packages. The website endeavors to assist “Halal-conscious” travelers by enabling them through the use of “Halal-friendliness filters” such as “Halal Food”, “No Alcohol Policy” and “Ladies Leisure facilities” to choose a the hotel most suitable to their needs.⁶⁶

The travel website “HalalTrip⁶⁷”, launched in 2013, offers Muslim travelers a variety of choices of Muslim-friendly hotels around the globe that are rated by its “sister brand” the Singapore-based “CrescentRating”. The website also helps Muslim travelers locate Halal restaurants and mosques at various destinations and provides to them downloadable city and restaurant guides.⁶⁸ With

⁶⁰ “A Slim Destination for Muslim travelers.” South Korea: Gyeonggi-Do Tourism Organization. Web.

⁶¹ Takemura, Mariko. “Increasing Muslim Tourists to Japan.” *Doing Business in the Halal Market*. London: Euromonitor International, 2015. 36-39.

⁶² Please refer to Spain case study for more information.

⁶³ Battour, M., and Ismail, M.N. “Halal Tourism: Concepts, Practices, Challenges and Future.” *Tourism Management Perspectives* (2015)

⁶⁴ Please refer to Japan case study for more information.

⁶⁵ Please refer to Spain case study for more information.

⁶⁶ Halalbooking.com website.

⁶⁷ Halaltrip.com website.

⁶⁸ “Halal travel Booking Website Launched.” Trade Arabia. 26 Dec. 2013. Web.



respect to the B2B travel websites, CrescentRating launched a MFT B2B platform “Muslim Travel Warehouse” in 2015 for travel agencies that are interested in catering to Muslim travelers with a portfolio of Muslim friendly tour packages, excursions and activities rated by CrescentRating.⁶⁹

Lagisatu, a Malaysian-Austrian B2C travel website, provides a hotel meta search with a Halal filter. In 2014, the website featured 600,000 hotels from around the world, of which 10,000 were Halal-rated. The site is available in a number of languages including Arabic.⁷⁰ In 2016, a website called Tripfez was launched in ITB Berlin; it allows MFT products and services providers to register their offerings and then manage their inventory and pricing.⁷¹

The travel website “Muslim Break”, launched in 2015 and run out of London, provides hotels and restaurants’ reviews and tailored holidays for Muslim travelers to cater to their needs for Halal food and prayer areas. The website also provides links for a number of airlines that offer Muslim friendly services including Halal meals and Islamic media content in some cases. Chatzisavva launched her site after she personally witnessed the difficulties Muslim travelers had during a family trip to Greece, she decided to create her site to “offer Muslims the opportunity to have their dream holiday without feeling uncomfortable”.⁷²

Muslim Friendly Mobile Travel Applications

Mobile travel applications, developed by government agencies and MFT providers, are emerging as a recent development on the MFT products scene. A number of government agencies have launched mobile apps to help Muslim travelers locate Halal certified restaurants and Muslim-friendly hotels as well as mosques and facilities that have prayer rooms. Thailand is one of the countries that launched an app for both IOS and android platforms to help visitors find hotels and shopping centers with prayer rooms as well as Halal certified restaurants. The “Halal Korea” app, launched by the South Korean state food agency, provides information about Halal restaurants and allows scanning of barcodes at supermarkets to check if its contents are Halal. The app also provides information on nearby prayer areas.⁷³

A number of other Muslim friendly mobile apps such as ‘HalalTrip’ and ‘HalalMinds’ help Muslim tourists locate Muslim-friendly hospitality products and services across the globe.⁷⁴ The ‘HalalTrip’ app, provided by CrescentRating, the company behind the ‘HalalTrip’ travel website, available in both English and Arabic, helps Muslim travelers locate Halal restaurants and mosques at various destinations and provides an in-flight prayer time calculator and travel supplications.⁷⁵ The HalalMinds app, developed in Japan by an Indonesian student, provides Muslim travelers to Japan with a Halal Restaurant Finder, Qibla Directions, and a Qur’an database. Its recently released version 2.0, available for both Android and iOS platforms, allows Halal scanning of the bar code of drugs, cosmetics, and food products.⁷⁶

⁶⁹ “The State of the Global Islamic Economy Report 2015/16” DinarStandard and Thomson Reuters, 2015.

⁷⁰ Halim, Sophia. “Lagisatu in Halal Holiday Space.” Edgy. 2 Mar. 2015. Web.

⁷¹ Tore, Ozgur. “A New Booking Site for Muslim Travelers.” FT News. 14 Mar. 2016 Web.

⁷² Healy, Melinda, “How Halal Tourism is Traveling in the Right Direction.” The National. 13 Aug. 2015. Web.

⁷³ Lemon, Jason. “South Korea launches ‘Halal Korea’ app to draw Muslim tourists.” Stepfeed. 1 Nov. 2015. Web.

⁷⁴ Battour, M., and Ismail, M.N. “Halal Tourism: Concepts, Practices, Challenges and Future.” *Tourism Management Perspectives* (2015)

⁷⁵ Halaltrip.com website.

⁷⁶ Ikeda, Masaru. “Japan’s Muslim App HalalMinds Wins Startup Award in Taiwan, Poised for Asian Expansion.” The Bridge. 28 Aug. 2014. Web.

2.4 Current Trends in Marketing MFT Products and Services

The fragmented nature of tourism markets in general has led to a certain level of cooperation between products and service providers at one level and between them and their respective governments at another level especially in the area of Marketing MFT Products and Services. There is also an increasing utilization of both digital marketing and travel conferences as tools to increase visibility and attract Muslim travelers. In this section, a review of these current marketing trends is presented with examples.

1. Public Private Partnership Initiatives⁷⁷

Governments across the world have cooperated with tourism products and services providers in support of the development of the MFT sector in general and in marketing in particular. Areas of public private partnership include raising awareness among tourism products and services providers of the MFT market potential and Muslim consumer needs, supporting providers in developing and certification of MFT products and services, and engaging in destination marketing.

The next section of the report on current government policies details how certain governments such as the Japanese and South Korean have tried to raise awareness of the MFT market importance. In addition to this, several governments, including that of the Philippines, have helped the private sector in their efforts to develop products for Muslim travelers and to acquire Halal certification.

With respect to marketing efforts, a number of tourism authorities, including Australian, Thai and South Korean tourism authorities, have published guides for Muslim travelers to help them locate MFT products and services.

Government bodies have also been active in holding industry/trade events to create channels of communication between local tourism operators and those from targeted countries. Both Malaysia and Thailand have been quite successful in using this marketing strategy to promote their MFT sector.

A third strategy used by governments in the area of marketing MFT is building strategic partnerships with entities in target countries such as airlines, media representatives. This strategy has proved quite successful in promoting the MFT sector in Australia that has collaborated with partners in Dubai including airlines and media representatives.

2. Cluster Marketing

Given the fact that the tourism industry is intrinsically diverse and is dominated by small and medium tourism enterprises (SMTEs), creating local partnership between tourism businesses and other stakeholders is inevitable. Through tourism clusters, SMTEs cooperate to build a tourism offering able to compete globally. Cluster marketing has a number of benefits including exchanging experience and more effective resources utilization. Common branding enables SMTEs to improve their marketing positioning and create joint marketing and

⁷⁷ For more information, details and references for examples in this area, please refer to the “Destination Marketing” part under the next section of the report “Current Government Policies Related to MFT”.

promotional initiatives as well as a central distribution system.⁷⁸ An example of this is the Muslim-friendly Project launched by Hakuba Goryu Tourism Association in Japan in 2012. More than twenty accommodation facilities cooperated in creating and launching a website targeting Muslim travelers as well as in organizing a joint promotional campaign.⁷⁹

In Spain, a “Halal Cluster” is being developed in Cordoba city with the help of the Instituto Halal with the aim of enabling business targeting the Muslim consumer to cooperate in various areas including Tourism.⁸⁰

In Thailand, in a bid to consolidate its marketing efforts towards Muslims, the Halal Science Centre of Bangkok’s Chulalongkorn University, the Central Islamic Council of Thailand and Halal Standard Institute of Thailand launched a unified “Thailand Diamond Halal” brand that would enable MFT products and service providers to cooperate in marketing themselves. Another example from Thailand is the Krabi SME business community forming a Halal Muslim-friendly Club consisting of hotels, restaurants, and tour companies to launch a website for the promotion of their products and services targeting Muslim travelers.⁸¹

3. Digital Marketing

DMOs and tourism industry players have been increasingly using digital marketing tools in their effort to attract Muslim travelers, an understandable trend as more and more travelers use them for research, locating providers and purchasing products and services. The “virtual marketplace” is an excellent tool that can be utilized even on a restricted budget. A tourism operator can start with a simple website then develop it eventually adding more functionality. Both DMOs and tourism industry players have been active in attracting Muslim travelers through the use of digital tools including the web, mobile apps and social media.

Besides creating their own websites, Hotels and airlines are being marketed through various travel sites through both mainstream and Muslim friendly platforms. Smaller size establishments have even cooperated, in some cases, to create a joint platform to market their Muslim-friendly services as in the case, mentioned earlier, of the website created by the Hakuba Goryu Tourism Association in Japan for accommodation establishments.

DMOs are also actively highlighting Muslim-friendly tourism services and products on their websites as well as through social media. An example of this is the “Muslim-friendly Thailand” video posted by Thailand’s tourism authority on the Facebook page featuring Muslim families with children and couples enjoying Thailand.⁸² Mobile apps have also been used by government agencies to showcase Halal certified restaurants and Muslim-friendly hotels as well as mosques and facilities that have prayer rooms. Both Thailand and Korea government agencies have launched apps targeting Muslim travelers.⁸³

4. Travel Conferences

⁷⁸ Soteriades, Marios, “Tourism Destination Marketing: Approaches Improving Effectiveness and Efficiency.” *Journal of Hospitality and Tourism Technology*, Vol. 3 Iss: 2, pp.107 – 120.

⁷⁹ “The Contribution of Islamic Culture and its Impact on the Asian Tourism Market” *UNWTO*. In: Regional Seminar on the Contribution of Islamic Culture and its Impact on the Asian Tourism Market (16-17 November 2015), Brunei Darussalam.

⁸⁰ Please refer to Spain case study for further information.

⁸¹ Please refer to Thailand case study for further information.

⁸² “Asian Countries Capture Big Revenues from Muslim Tourists.” Halal World Institute. 5 Oct. 2013. Web.

⁸³ Battour, M., and Ismail, M.N. “Halal Tourism: Concepts, Practices, Challenges and Future.” *Tourism Management Perspectives* (2015)

Halal travel conferences are on the rise. While they have been used successfully to raise the awareness of the MFT in general, they also have proved to be a valuable marketing tool for host countries in terms of increasing their visibility on the MFT market scene. The first “Halal Tourism Conference” held in Europe was hosted by Spain in 2014, with a second one in Turkey in May 2016.

Abu Dhabi hosted “The World Halal Tourism Summit and Exhibition (WHTS)” in 2015 and is planning the next World Halal Tourism Summit 2016 in November 2016 during ITW Abu Dhabi (International Travel Week).

Croatia is hosting its World Halal Day in November 2016, with Halal Tourism as one of the main topics.⁸⁴ In Thailand, the Tourism Authority organized, in parallel to the Thailand Travel Mart Plus (TTM +), the first forum for the promotion of the country as a Muslim-friendly destination and arranged meetings between the invited travel agents from the MENA region and Thai tourism operators who are targeting the Muslim travel market.⁸⁵

2.5 Current Government Policies Related to MFT

Even though it's the private sector that delivers services to tourists, governments and tourism products and services providers can cooperate in a number of areas including developing tourism strategies, creating networks or joint marketing campaigns.⁸⁶ Governments across the world have supported the development of the MFT sector in a variety of ways including raising awareness among tourism products and services providers of the MFT market potential and Muslim consumer needs, supporting providers in developing and certification of MFT products and services, and engaging in destination marketing. In this section, examples from non-OIC government policies and initiatives in the various areas will be provided, while examples from OIC countries will be covered in the next part of the report (Section 5.6).

1. Raising Awareness

Government bodies have engaged to varying degrees in raising awareness of the MFT market potential and Muslim traveler expectation and needs. These efforts were targeted at other government bodies as well as at products and services providers. The following examples show a variety of government initiatives in this area;

- Japanese regional authorities⁸⁷ have been involved in organizing seminars on Muslim lifestyles and manners for local businesses in an effort to raise their awareness of the expectations of Muslim tourists.⁸⁸ In one instance, a local government created a Japanese-language Muslim Hospitality Handbook targeting Japanese businesses with information on Islamic beliefs and how to interact with their Muslim clientele.⁸⁹

⁸⁴ “ISFIN supports World Halal Day Croatia.” World Halal Day. 2 Apr. 2016. Web

⁸⁵ Please refer to Thailand case study for more information.

⁸⁶ “Global Report on Public-Private Partnerships: Tourism Development.” UNWTO. Spain: November 2015.

⁸⁷ For further information, please refer to Japan case study.

⁸⁸ Iwata Keisuke. “Japan joins the Halal tourism race.” MV Media. Japan Times. 2 Dec. 2013. Web.

⁸⁹ Penn, Michael. “Japan Embraces Muslim Visitors to Bolster Tourism.” *Al Jazeera English*. 17 Dec. 2015. Web.



- In South Korea, the Korea Institute of Halal Industry sought to increase awareness of Halal standards and market potential among companies that sought to target Muslim consumers.⁹⁰
- In the Philippines, the Department of Tourism (DOT) launched the Philippine Halal Tourism Project at the Madrid Fusion Manila 2016, aiming among other things to raise awareness of Halal as a concept and the Halal tourism market potential among Filipinos as well the tourism industry.⁹¹

2. Products and Services Development

While OIC countries may have a home court advantage in the area of MFT products and services, non-OIC countries have been actively seeking to develop MFT products and services; An effort which governments have been keenly supporting in their quest to attract Muslim travelers. The following examples show a variety of government initiatives in this area:

- In Japan, a number of local governments have supported local restaurants in making their establishments more Muslim-friendly. A large number of Japanese airports created designated prayer rooms and began to provide more Halal food options at airport facilities.
- In China, Zhangjiajie Municipal Government has provided subsidies to restaurants in Lanzhou, Yinchuan and Xinjiang to enable them to open Halal restaurants. The Zhangjiajie Municipal Ethnic Affairs Commission was also planning to build an Islamic center that has Halal restaurants and hotels.

3. Certification of Products and Services

With certification being one of the main challenges facing entrants to the MFT market, governments have been increasingly active in supporting MFT products and services providers obtain Halal certification especially restaurants. The following examples show a variety of government initiatives in this area:

- The Philippines' Department of Tourism (DoT) covered the Halal certification fees for at least 50 restaurants in an effort encourage food outlets to obtain Halal certification in their quest to provide Halal-friendly services to Muslim travelers. The initiative targeted the restaurants of hotels, resorts, and those within conferences and events halls in Manila, Davao, Cebu and Boracay.⁹²
- Japanese local governments provided subsidies to businesses to help obtain Halal certification. In one instance, a local government has offered subsidies of up to 1 million yen (\$8,515) to businesses that are working toward obtaining Halal certification.⁹³

⁹⁰ "Korean Halal institute explores cooperation with Indonesian Halal Institute." Miraj News. 24 Nov. 2014. Web.

⁹¹ Tantiangco, Aya, "DOT Courts New Market with Halal Tourism." GMA News. 13 Apr. 2016. Web.

⁹² "Philippines to Court Halal Tourism Market." Oxford Business Group. 11 Mar. 2016. Web.

⁹³ "Japan Inc. Goes Halal." *Nikkei Asian Review*. 16 Jan. 2015. Web. 1 Mar. 2016.

- In South Korea, the administrative authority of the Gangwon province provided guides on getting Halal certification and linked producers of Halal products in South Korea with Malaysia's certification body JAKIM to get Halal-certification.⁹⁴

4. Destination Marketing

While a tourism offering is a “series of experiences” accumulated as a result of a mixture of a variety of products and services, the destination itself is the “provider” of these experiences. Thus, destination marketing encompasses many stakeholders and a complex product offering that necessitates cooperation and networking of these stakeholders’ activities.⁹⁵ This is probably why destination marketing is the area where government initiatives are needed the most since it can work as an aggregator as well as a platform provider for communication for the various stakeholders. Among the initiatives undertaken by governments in this area is the development of Muslim visitor guides in a variety of formats suitable for different platforms as well as organizing conferences and industry events in addition to creating strategic partnerships to help promote the MFT sector. The following sections contain examples showing a variety of government initiatives in this area:

- **Muslim Visitors Guides**

- ❖ Tourism Australia has created a Muslim visitors’ guide in collaboration with HalalTrip detailing “the best places to visit, shop, dine and pray” in Australia. The guide lists Halal food outlets and mosques in each of Australia’s eight regions and it was made available in print as well as an eBook format for tablets and iPads.⁹⁶
- ❖ The South Korean Tourism Organization produced in 2015 a guidebook for “Muslim-friendly Restaurants in Korea” in English; the guide provides a list of restaurants providing Muslim countries cuisine as well as Muslim friendly Korean cuisine Restaurants. It has also produced a “Muslim Food Guidebook” in Arabic.⁹⁷ It has also launched the “Halal Korea” app, to provide information about Halal restaurants and nearby prayer areas.⁹⁸
- ❖ The Tourism Authority of Thailand has published a number of guides and brochures targeting Muslim travelers. One of those guides, the “Halal Check-in Thailand” guide lists Halal-certified restaurants and Islamic Attractions in the Southernmost Provinces of Yala, Narathiwat and Pattani. The TAT has also launched an App for both iOS and Android platforms designed to enable Muslim travelers to locate mosques, Halal restaurants and hotels as well as shopping centers equipped with prayer rooms around the country. The App initial version was in Thai and English and is planned to include Arabic and Bahasa Indonesia.⁹⁹

⁹⁴ “Halal Food makes Global waves.” The Halal Times. 21 Dec. 2014. Web.

⁹⁵ Soteriades, Marios, “Tourism Destination Marketing: Approaches Improving Effectiveness and Efficiency.” Journal of Hospitality and Tourism Technology, Vol. 3 Iss: 2, pp.107 - 120

⁹⁶ “The State of the Global Islamic Economy Report 2015/16” DinarStandard and Thomson Reuters, 2015.

⁹⁷ “The Contribution of Islamic Culture and its Impact on the Asian Tourism Market” *UNWTO*. In: Regional Seminar on the Contribution of Islamic Culture and its Impact on the Asian Tourism Market (16-17 November 2015), Brunei Darussalam.

⁹⁸ Lemon, Jason. “South Korea launches ‘Halal Korea’ app to draw Muslim tourists.” Stepfeed. 1 Nov. 2015. Web.

⁹⁹ “The Contribution of Islamic Culture and its Impact on the Asian Tourism Market” *UNWTO*. In: Regional Seminar on the Contribution of Islamic Culture and its Impact on the Asian Tourism Market (16-17 November 2015), Brunei Darussalam.

- **Industry/Trade Events**

- ❖ In 2015, the Tourism Authority of Thailand organized, in parallel to its annual travel trade show, the Thailand Travel Mart Plus (TTM +). It was the first forum for the promotion of the country as a Muslim-friendly Destination. Representatives of travel agencies and media from a number of countries were invited to participate in the forum including representatives from Iran, Egypt, Kuwait, Tunisia, Indonesia, Malaysia, Brunei, Oman, the UAE, Turkey, and India. As part of the forum activities, business meetings were arranged between the invited travel agents and Thai tourism operators who are targeting the Muslim travel market.¹⁰⁰
- ❖ Croatia will host its first international Halal event, World Halal Day Croatia (WHD) in November 2016, in Croatia. The event covers Halal tourism, Halal food and Islamic banking and finance. It is intended to provide a platform for government bodies and industry professionals including hotel management executives, travel agencies and representatives from other countries buyers and trade visitors to exchange business experiences.¹⁰¹
- ❖ In Spain, city councils supported a number of Halal conferences including the 1st Halal Tourism Conference in Granada in 2014, the Halal International Congress in 2015 in Cordoba and the EXPOHALAL 2016 in Madrid.¹⁰²

- **Strategic Partnerships**

- ❖ Australia has collaborated with a number of partners in Dubai including airlines and media representatives to promote itself as a Muslim-friendly destination. Arab media representatives were invited to visit tourist places at the Gold Coast in an effort to create awareness of Australia as a potential destination for Muslim tourists.¹⁰³
- ❖ The Philippines Department of Tourism (DOT) is currently working with CrescentRating on formulating strategies to expand the MFT market segment through the identification of deficiencies in the facilities and services offered to Muslim travelers and the development of a marketing campaign targeting Muslim consumers. The geographic scope of the project covers Manila, Davao, Cebu and Boracay initially.¹⁰⁴
- ❖ The Tourism Authority of Thailand (TAT) launched a marketing partnership with Etihad Airways, the national airline of the United Arab Emirates, to promote travel to Thailand from priority markets including Iran, Kuwait, and the UAE.¹⁰⁵

¹⁰⁰ Ibid.

¹⁰¹ "ISFIN supports World Halal Day Croatia." World Halal Day. 2 Apr. 2016. Web.

¹⁰² Please refer to Spain case study for more information.

¹⁰³ Jamila Abodeeb , Erica Wilson , Brent Moyle , (2015) "Shaping destination image and identity: insights for Arab tourism at the Gold Coast, Australia", International Journal of Culture, Tourism and Hospitality Research, Vol. 9 Iss: 1, pp.6 – 21

¹⁰⁴ "Philippines to Court Halal Tourism Market." Oxford Business Group. 11 Mar. 2016. Web.

¹⁰⁵ Please refer to Thailand case study for more information.

2.6 Industry Challenges and Success Factors

Based on secondary sources and insights from interviews, a number of industry challenges that face providers who seek to address the MFT market needs were identified. While these challenges could be perceived as barriers to entry to the MFT market, many providers have managed to overcome these challenges and provide successful strategies to deal with them.

1. Standardization and Certification

The absence of a universal Halal certificate and Muslim-friendly measurement, coupled with the wide variations in Halal policies and procedures, is challenging for MFT product and service providers. The discrepancies and lack of standardization create confusion for companies seeking to address the MFT market especially when in certain instances there is more than one certification body within the boundaries of a single country with each having different requirements for Halal certification. To deal with this challenge, service providers need to monitor closely the development of the MFT industry and the areas of halal compliance and certification.¹⁰⁶ This is also an area where governments could play an important role in terms of cooperating to create unified standards or raising the awareness of standards and certification procedures. An example of this is the Japanese government's efforts in raising awareness among the tourism industry of the importance of the MFT sector and the requirements for certification for the various providers.¹⁰⁷

2. Lack of Well-Developed MFT Products and Services in many OIC Countries

There is a large discrepancy between OIC countries in terms of the level of development of MFT products and services. While countries such as Malaysia, Turkey and the United Arab Emirates provide an advanced level of MFT services, many OIC countries lack these services and are especially behind in promoting the MFT services they do have.

3. Catering to Muslim and Non-Muslim Tourists

It can be difficult for destinations and tourism products and services providers to cater to Muslim and non-Muslim tourists; some have argued that Halal tourism practices could be perceived as inhibiting to tourism destination development.¹⁰⁸

The practice of not offering alcohol is a big issue for international hotel management companies who feel that alcohol availability is expected by their guests. Beyond the fact that serving alcohol entails a loss of lucrative alcohol revenues, it is also seen as having an indirect negative influence on the number of diners at the hotel restaurant and also the number of hotel guests.¹⁰⁹ While a *dry hotel* may not be seen as profitable to some hotel chains, a number

¹⁰⁶ Izberk-Bilgin, Elif, and Cheryl C. Nakata. "A New Look at Faith-Based Marketing: The Global Halal Market." *Business Horizons* (2016).

¹⁰⁷ For further information, please refer to Japan's Case Study.

¹⁰⁸ Battour, M., and Ismail, M.N. "Halal Tourism: Concepts, Practices, Challenges and Future." *Tourism Management Perspectives* (2015)

¹⁰⁹ Razalli, Mohd Rizal and Abdullah, Suzzaini and Hassan, Mohamad Ghozali. "Developing a Model for Islamic Hotels: Evaluating Opportunities and Challenges." In: International Conference on Knowledge, Culture and Society 2012 (ICKS 2012), 29-30.

of providers in the industry have found other ways to increase revenues by providing banquets among other services to their guests.

Some destinations managed to solve the problem of accommodating Muslim and Non-Muslim tourists by designating separate areas for each group that cater to their differing needs. An example of this is the Indonesian island Lombok where the local government has identified areas for Muslim guests, where other tourists need to wear modest clothes, while designating other areas as “party hotspots”.¹¹⁰

4. Marketing to Muslim and Non-Muslim Tourists

Marketing to Muslims can be a challenging task in certain situations. While the Muslim consumer market has proven itself too large to ignore, addressing it can attract criticism from “mainstream” consumers. Some companies managed to deal with this challenge through asserting that this is mainly about offering consumers products that are aligned to their belief systems.

Tourism products and services providers may choose to tackle this challenge by limiting their marketing aimed at Muslim consumers through choice of Muslim media or a specific geographic location. Another successful strategy is to use a message that can appeal to both mainstream and Muslim consumers, such as emphasizing the health and ethical aspects of products.¹¹¹

In the case of hotels, they can market themselves as a family-friendly hotel without using the terms “Muslim” or “Halal”. A successful example of such marketing approaches is the Al Jawhara hotel group, which is Dubai-based; it promotes itself as providing “unique family oriented hospitality”. Shaza Hotels is another example of successful branding as an “authentic Arabian hospitality” provider. Both hotel groups have managed to create a marketing message that can appeal to both Muslims and non-Muslims consumers.¹¹²

5. Financing MFT Products and Services

A big hurdle to the growth of the MFT sector is the reluctance of investors in general to finance the development of MFT products and services. In the hotel industry, investors are afraid of loss of revenue in food and beverage if they invest in *dry hotels*. For non-real estate travel ventures, it’s proving quite difficult to secure financing as investors shy away from such projects.¹¹³ For established businesses, the cost of making their establishments Muslim-friendly can also be beyond their means. In non-Muslim countries where the cost could be quite prohibitive, governments have provided support to private sector companies to help them adapt their businesses to Muslim traveler needs as well as to meet the Halal certification requirements.¹¹⁴ Japanese local governments have tried to encourage local businesses to cater to Muslim travelers’ needs by offering these businesses subsidies to help them develop Halal products as well as obtain Halal certification.¹¹⁵ In 2015, Tokushima local government

¹¹⁰ “The State of the Global Islamic Economy Report 2015/16” DinarStandard and Thomson Reuters, 2015.

¹¹¹ Izberk-Bilgin, Elif, and Cheryl C. Nakata. “A New Look at Faith-Based Marketing: The Global Halal Market.” *Business Horizons* (2016).

¹¹² “The State of the Global Islamic Economy Report 2015/16” DinarStandard and Thomson Reuters, 2015.

¹¹³ Ibid.

¹¹⁴ For specific government initiatives, refer to the section on “Current Government Policies”

¹¹⁵ Ishida, Michiyo. “Japan’s Restaurants Look to Cater to the Halal Food Industry.” *Channel News Asia*. 3 Jan. 2016. Web. 1 Mar. 2016.

in western Japan held meetings on Halal standards for businesses to encourage them to obtain Halal certification. It has offered subsidies of up to 1 million yen (\$8,515) to businesses that are working toward obtaining Halal certification.¹¹⁶

¹¹⁶ "Japan Inc. Goes Halal." *Nikkei Asian Review*. 16 Jan. 2015. Web. 1 Mar. 2016.

3 MFT Products/Services and Marketing Strategies in OIC Countries

3.1 MFT Market Size and Profile in OIC Countries

Market Size: While global travel expenditure is expected to reach \$1.85 trillion in 2020 based on 6.75 percent compound annual growth, Muslim travel expenditure is expected to grow from \$142.3 billion in 2014 to \$233.3 billion at a faster rate of 8.6 percent compound annual growth. OIC Travel expenditure is expected to grow the fastest among the three, as shown in the table below, from \$107.2 billion in 2014 to \$187 billion in 2020 at a 9.72 percent compound annual growth.

Table 2: Global and MFT Tourism Market Size

	2014	2015	2016	2017	2018	2019	2020	CAGR
Global Travel Expenditure (\$ Bil)	1253.7	1303.5	1375.7	1476.4	1589.4	1714.1	1854.9	6.75%
Muslim Travel Expenditure (\$ Bil)	142.3	144.4	158.7	174.4	191.9	211.4	233.3	8.59%
OIC Travel Expenditure (\$ Bil)	107.2	111.6	123.6	136.9	151.8	168.3	187.0	9.72%
OIC Muslim Visitor Arrivals (Mil.)	45.6	49.5	53.8	58.4	63.4	68.9	74.8	8.59%

Source: DinarStandard and UNWTO

Young population: Worldwide Muslim population is expected to rise from 1.7 billion in 2014 to 2.2 billion by 2030 (26.4%), according to Pew Research Center’s Forum on Religion and Public Life¹¹⁷. More significantly, the Muslim population is estimated to be growing at about twice the rate of the non-Muslim population over the next twenty years. This translates to an average annual growth rate of 1.5% for global Muslim population, compared with 0.7% for non-Muslims world-wide.

Another key attribute is that the median age in Muslim-majority countries is expected to be 30 by 2030. Comparatively, the median age in North America, Europe and the other more-developed regions is projected to be 44 in 2030.

Other ‘Muslim-lifestyle’ market context: The Muslim-friendly travel market is part of a wider global market trend of Muslim or Islamic lifestyle economy sectors being also affected by growing unique Muslim consumption needs¹¹⁸. These significant sectors include: ‘Halal’ influenced Food and Agriculture market (estimated \$1.12 trillion Muslim consumer expenditure), Islamic finance market (\$1.34 trillion Assets under management), Modest clothing Muslim market (\$230 billion consumer expenditure), Media and recreation services Muslim market (\$179 billion consumer expenditure) among select others (all 2014 estimates by DinarStandard). This broader context is important as it relates to the same Muslim travel

¹¹⁷ “The Future of the Global Muslim Population, Pew Research Forum, 2011

¹¹⁸ “State of the Global Islamic Economy,” Thomson Reuters/ DinarStandard 2015/16

audience needs and motivations for ‘Halal’ considerations and presents significant cross-marketing and product development opportunities as well (e.g. sharia-compliant travel saving programs for Muslim travelers.)

3.2 MFT Products and Services in OIC Member Countries

1. General Outlook

The OIC countries have a comparative advantage due to their knowledge of Islam that implies an understanding of Muslim consumers’ needs as they pertain to conforming to their faith requirements. While, OIC countries offer a variety of MFT products and services, the development of those products varies greatly from one country to another. Both the State of Global Islamic Economy (SGIE) and the Global Muslim Travel Index (GMTI) reports have been reviewing the MFT market and providing tools to measure the development of this sector globally.

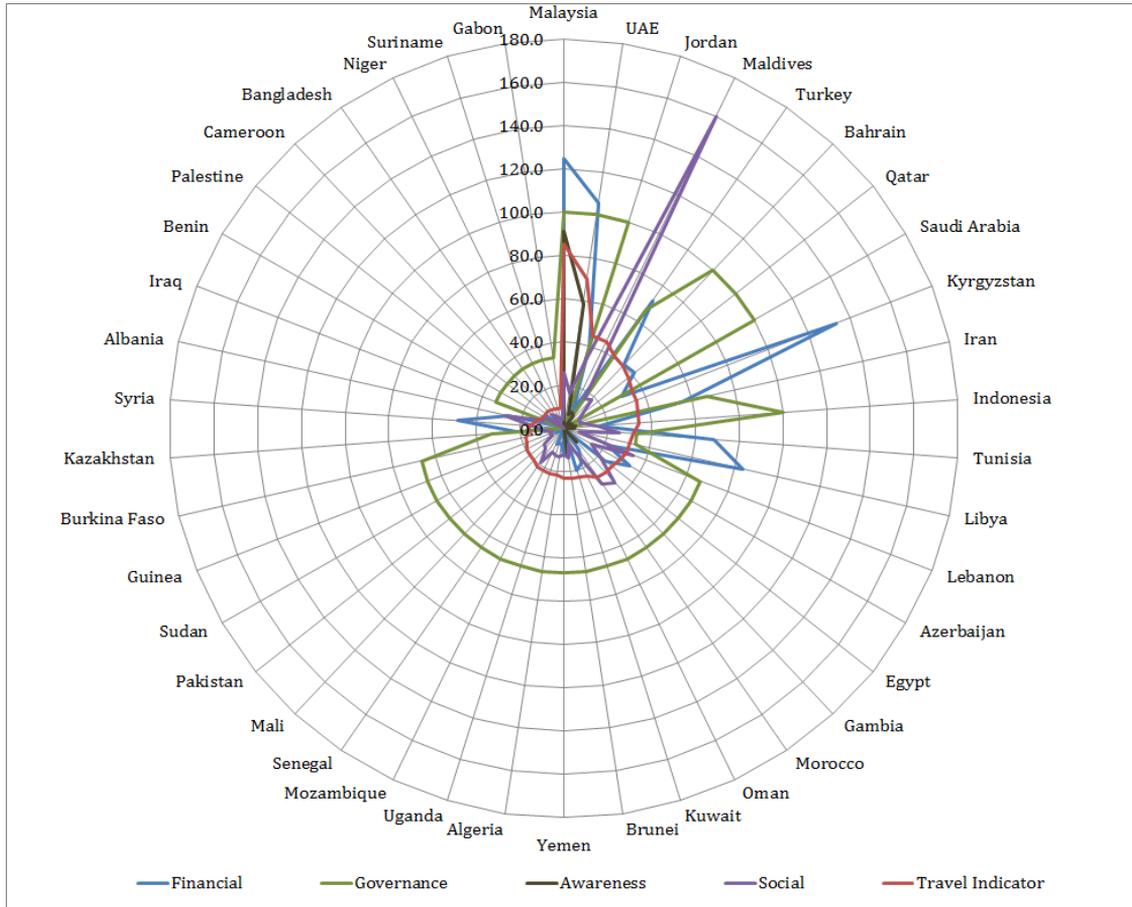
The GMTI score is based on scores in three main areas; the first being family friendliness and safety of the destination, the second being the availability of Muslim friendly services and facilities including prayer areas, airport services and facilities, dining and accommodation options, and the third being Muslim travel market awareness of the destination and destination marketing. The first two areas are given a weight of 40% each while the third is given a weight of 20% in establishing the overall GMTI score.¹¹⁹

The SGIE’s Halal Travel Indicator (HTI) evaluates countries on relative strengths of the ecosystem they have for the development of the MFT sector. The indicator equally weights four categories which include the supply drivers relative to country size (Financial), the degree of Halal-friendliness of the country’s ecosystem (Governance), the level of awareness of a country’s MFT sector based on the news articles and events, and the travel sector’s contribution to employment in the country (Social).¹²⁰ The chart below illustrates OIC countries the SGIE’s Travel Indicator 2015/2016 scores as well its four raw components.

¹¹⁹ “The Global Muslim Travel Index (GMTI) 2016.” CrescentRating, 2016.

¹²⁰ “The State of the Global Islamic Economy Report 2015/16” DinarStandard and Thomson Reuters, 2015.

Figure 16: OIC Countries Halal Travel Indicator (HTI) 2015/2016 Scores



Source: SGIE Report 2015/2016

The previous chart clearly shows the vast variance between OIC countries in terms of development of the MFT sector. A few countries are performing really well while most OIC countries are performing poorly. The average HTI score for OIC countries was 20; the highest score, that of Malaysia, was 85.5. UAE came next with a score of 70 while all other OIC countries scored below 45. Fifteen OIC countries, which are not shown in the graph, scored below 10 on the HTI including Uzbekistan, Afghanistan, Mauritania, Somalia, Guyana, Comoros, Togo, Sierra Leone, Ivory Coast, Chad, Nigeria, Djibouti, Guinea-Bissau, Tajikistan, and Turkmenistan. The four raw indicators show similar patterns with a few exceptions as in the case of the Maldives scoring quite highly on the social indicator due to its reliance on employment in the Tourism sector and Kyrgyzstan financial indicator due to the high number of inbound Muslim tourists in relation to the country’s size. As expected, many OIC countries have a better performance on governance indicator which represents the degree of Halal-friendliness of their ecosystem.

2. MFT Products and Services in OIC Member States

While the development of MFT products and services among OIC countries can be described as unequal, a number of OIC countries have taken the lead on the MFT global scene including Malaysia, United Arab Emirates and Turkey among others. Examples of MFT products and services in the various areas are provided below.

- **Food and Beverage**

There is an abundance of Halal dining options in OIC countries whether in terms of local food outlets or international chains which are using Halal components for their operations in OIC countries. Americana Group (Kuwait Food Co.), a key player in the fast food and restaurant business with 1,630 outlets in the MENA region, operates a number of franchises serving Halal food including KFC, Pizza Hut, Hardee's, TGI Friday, Red Lobster, and Olive Garden.¹²¹ Amer Group, a leading Egyptian hospitality provider, operates a number of local restaurants as well as some international franchises including Chili's, Johnny Carino's and Ocean Basket. Alshaya Co., a Kuwaiti based group, operates in 19 countries and has more than 70 brands in its portfolio including Starbucks, the Cheesecake Factory, the Shake Shack, and Pink Berry among others all using strictly Halal food components.¹²² Al Shaya has recently expanded beyond the MENA region to cover other countries in Asia including Indonesia and Malaysia.¹²³

However, the process of Halal certification for restaurants in many OIC countries is lagging behind and varying standards are being used in the application of certification. Asad Sajjad, CEO of the UAE-based Gulf Halal Center and Halal Development Council, stressed the importance of certification in this area as the MENA concept of "kulu Halal", meaning all is Halal in Arabic, is not suitable in an increasingly "globalized economy".¹²⁴ In the UAE, the Emirates Standardization and Metrology Authority (ESMA) imposed Halal certification on all restaurants and food products sold in the UAE starting 2014.¹²⁵ In Malaysia, the Department of Islamic Development (JAKIM) specified that any restaurant serving or selling alcoholic beverages would not be granted a Halal certificate.¹²⁶ The process of certification itself has proven to be quite complex and long for some Malaysian restaurants, which inhibited them from seeking it.¹²⁷ Still, lack of certification can pose a problem to their operation as Tony Roma's restaurants found out; even though they serve Halal food prepared by Muslim chefs, people doubted their Halal status in the absence of certification.¹²⁸

- **Accommodation**

Muslim friendly accommodation options are still low across the OIC countries and show great variance in the level of services offered to Muslims. While some hotels offer a basic level of MFT services namely providing Halal food options, other hotels offer prayer rooms, separate recreation facilities for females and males as well have their staff wear modest uniform.

¹²¹ "Our Brands." Americana Group. 2016. Web.

¹²² Kowitt, Beth, "M.H Alshaya: The mystery company importing Americana to the Mideast." Fortune. 12 Feb. 2013. Web.

¹²³ Yoong, Sean. "4 International Restaurant Brands to Anticipate in KL." EatDrink. 17 Sept. 2015. Web.

¹²⁴ Cochrane, Paul. "The Halal Food Challenge in the Middle East." Just-Food. 9 Apr. 2015. Web.

¹²⁵ "All Halal Food Sold in the UAE Must Be Halal Certified from 2014." The Halal Media. Web.

¹²⁶ Irsyad, Arief. "No Halal Certificate But Still 'Halal'" Malaysian Digest. 24 Dec. 2014. Web.

¹²⁷ Azlee, Aizyl. "Halal Certification: What Malaysian Eateries Really Think." Malay Mail Online. 23 Feb. 2016. Web.

¹²⁸ Irsyad, Arief. "No Halal Certificate But Still 'Halal'" Malaysian Digest. 24 Dec. 2014. Web.

- The De Palma Group of Hotels in Malaysia offers a range of Islamic features and services in a number of their hotels including providing Halal certified food, equipping rooms with prayer items and having their staff wear modest clothes. Their hotel in Ampang has been licensed to conduct Friday prayers and attracts congregations of around 1200 to 2000 people.¹²⁹
- Another Malaysian hotel, PNB Perdana Hotel and Suites in Kuala Lumpur, does not offer alcohol on the premises and has two Halal certified restaurants and a swimming pool with separate service hours for males and females.¹³⁰
- In the UAE, Al Jawhara hotels, launched by the Dubai based Lootah Hotel Management Company, do not serve alcohol or pork and have separate recreational and sport facilities for men and women. Rooms are equipped with prayer rugs and Qibla signage.¹³¹
- A number of beach resorts in the OIC countries have started to offer segregated pools, fitness centers and beaches for women in addition to the core services of providing Halal food and prayer areas. Turkey is leading the development of Muslim friendly beach resorts. The Adenya Resort in Turkey has gender separated indoor and outdoor pools as well as one beach dedicated for women only and another for families where modesty is required.¹³²
- A number of hospitality groups have picked up on the need for more Muslim-friendly accommodation options and sought to address it such as the Qatari based Retaj Marketing and Project Management hospitality group with their plan to develop 20 Islamic hotels in Turkey and the Lootah Hotel Management Company's plan for a Shariah compliant resort in the Maldives that includes 50 luxury villas with dining, recreational and yachting facilities.¹³³
- **Transportation**

While Halal food is available throughout the transportation sector, there is a variation in how industry players cater to the rest of Muslim traveler needs. OIC countries airlines offer Halal food options on board and in many cases serve only Halal meals, Air Arabia, Kuwait Airways and Saudi Arabian Airlines prohibit alcohol and air pre-recorded Muslim supplications during takeoff.¹³⁴ Etihad, Emirates and Qatar airlines offer Halal meals, but they do not prohibit alcohol on board.¹³⁵ Furthermore, both Saudi Arabian and Etihad airlines have a designated prayer area on board.¹³⁶ With respect to cruise lines, Turkey and Malaysia are leading the way in this area. The Malaysian cruise company, Star Cruise, also offers Muslim-friendly cruises

¹²⁹ Stephenson, Marcus L. "Deciphering 'Islamic hospitality': Developments, challenges and Opportunities". *Tourism Management* 40 (2014): 155-164.

¹³⁰ Please refer to Malaysia case study for further information.

¹³¹ Wali, Sarah. "Al Jawhara's Brand of Islamic-Based Hotels Expanding". *Gulf News*. 22 Sep. 2015. Web.

¹³² "Muslim-Friendly Beach Resorts: Opportunities and Trends." *Salaam Gateway/ DinarStandard*. January 2016.

¹³³ Stephenson, Marcus L. "Deciphering 'Islamic hospitality': Developments, challenges and opportunities." *Tourism Management* 40 (2014): 155-164.

¹³⁴ *Ibid.*

¹³⁵ Chamberlin, Chris. "Emirates, Etihad, Qatar: Alcohol Restrictions during Ramadan Explained." *Australian Business Traveller*. 16 June 2015. Web.

¹³⁶ "Saudi Arabia's National Airline to Introduce Gender Segregation after a String of Complaints from Male Passengers." *Daily Mail*. 19 Dec. 2015. Web.

that offer Halal food. The Antalya based Fusion Tour Company in Turkey is launching a Halal cruise to Greece that offers Halal food and segregated sports and spa facilities.¹³⁷

Across OIC Countries, most transportation facilities offer Halal food and prayer areas for Muslim travelers. All Egyptian airports have prayer areas and offer a variety of Halal food options from local to international restaurants. In Turkey, most oil stations and stopovers have prayer areas and ablution facilities on the highways. Public sea buses and ferries also provide prayer areas and ablution facilities.¹³⁸

- **Activities**

Attractions, recreation and entertainment venues across the OIC countries offer a varying level of services to accommodate Muslim travelers' needs. Some venues offer Halal food options, prayer areas and washing areas for ablutions, others offer special service hours for women and families to enjoy the entertainment facilities.

- In Egypt and Malaysia, most shopping malls offer prayer rooms, washing areas for ablutions and Halal food options.
- In Indonesia, 'Halal spas' are gaining popularity with their Muslim friendly services that include headscarf styling. These spas use only Halal cosmetics totally free from pork derivatives.¹³⁹
- In Saudi Arabia, Al Shallal Theme Park in Jeddah offers, in addition to its rides, educational and sporting activities as well as shopping outlets and restaurants. The theme park has several prayer rooms and its restaurants offer Halal only food. It has special service hours for ladies only and special days for families.¹⁴⁰
- In Malaysia, the Genting Highlands theme parks and the Sunway Lagoon in Petaling Jaya offer several prayer rooms in addition to providing Halal food.
- In the UAE, theme parks, such as Ferrari World and Wild Wadi Waterpark, also offer prayer rooms and Halal food.¹⁴¹

- **Travel Services**

Traditionally, travel agencies have focused on fulfilling Muslim travelers' Hajj and Umrah needs, however, they have started lately considering leisure travel also as an area where there are Muslim needs to be met.

- In Turkey, Tura Tourism Holding, a mainstream company, created a department that provides "Halal customized" services for Muslim travelers who would like to travel to Western countries. In Malaysia, Lintas Travel Services provides Tour Packages to a number of Asian, Middle Eastern and European destinations. The agency builds its

¹³⁷ Battour, M., and Ismail, M.N. "Halal Tourism: Concepts, Practices, Challenges and Future." *Tourism Management Perspectives* (2015)

¹³⁸ Turkey case study

¹³⁹ Stephenson, Marcus L. "Deciphering 'Islamic hospitality': Developments, challenges and opportunities." *Tourism Management* 40 (2014): 155-164.

¹⁴⁰ "Al Shallal Theme Park, Jeddah" HalalTrip. Web.

¹⁴¹ "The Best Theme Parks for Muslim Kids." HalalTrip. Web.

itinerary to accommodate prayer times and plans meals at Muslim restaurants or at seafood restaurants in areas where no Halal offerings are available.

- Digital travel services products are expanding across OIC countries with a number of travel websites and travel apps being created in OIC countries both by the government or the private sector. Turkey has more than 15 websites including Halalinn which has more than 700 Turkish hotels in its database and provides an online filtering tool for booking hotels that offer Halal products and services.
- In Malaysia, government bodies launched a number of apps including Halal Square and Halal Inside. Halal Square enables travelers to locate and rate Halal certified facilities within Malaysia while Halal Inside allows them to authenticate the Halal certificate of eateries.

3.3 Distribution of MFT Products and Services

The distribution channels used by MFT industry products and service providers include both traditional tools such as direct sales, tour operators and travel agencies, as well as digital tools such as providers' websites and online travel agencies including B2B and B2C travel websites.

In the case of online travel agencies, a number of mainstream distribution channels are available such as Booking and Expedia as well as Muslim friendly online travel agencies such as HalalBooking.com, HalalTrip, and Lagisatu, Tripfez or the new B2B Muslim Travel warehouse.

Interviews conducted within the scope of the case studies with MFT products and services providers indicate that most MFT products and services providers use a combination of traditional and digital distribution tools. Many MFT industry providers use both MFT dedicated websites such as HalalBooking and Halal Trip as well as mainstream ones such as Booking and Expedia. For the Malaysian hotel PNB Perdana on the Park¹⁴², both traditional distribution channels such as direct sales through sales calls and selling through travel agencies are used in addition to using digital channels such as selling through their website.

In Thailand¹⁴³, many hotels rely on distribution through tour operators and online travel agencies. For example, the Atoning Princeville Resort and Spa sales through online travel agencies accounts for 60% of their sales.

In Spain¹⁴⁴, hotels also rely on tour operators and travel agencies in addition to direct sales. For example, the Alana hotel relies mainly on tour operators while Ibn Battuta Tours works through local agents in various countries.

The findings from the survey, as illustrated in the following graph, suggest that Muslim travelers prefer using online travel websites for booking accommodation with half of the respondents citing booking through online travel websites their last trip's accommodation, followed by close to a quarter of the respondents (22%) stating that they have booked through a travel agency and only 11% citing contacting hotels directly. The rest of the

¹⁴² Please refer to Malaysia's case study for references and further information.

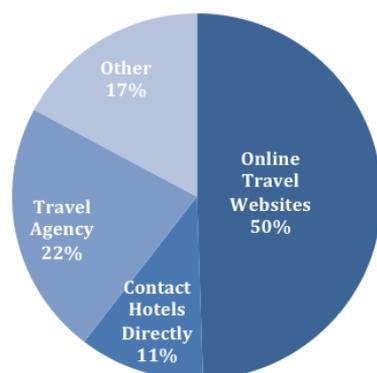
¹⁴³ Please refer to Thailand's case study for references and further information.

¹⁴⁴ Please refer to Spain's case study for references and further information.

respondents cited staying with friends and family or getting accommodation through walk in method. However, it is worth noting that since the survey data was collected through the internet that the results may be skewed in favor of online reservations.

Figure 17: Accommodation Booking Method

“What channel did you use to book the accommodation for this trip?”



3.4 Value and Pricing of MFT Products and Services

As indicated by the consumer survey findings, total cost is the most important element in destination selection that highlights the importance of having a competitive price for MFT products and services in relation to mainstream tourism products. Product and service providers have a choice between three main pricing strategies depending on the stage of the development of their products, demand and the level of competition in their market. These strategies include pricing based on cost, demand, and competition.

Interviews conducted within the scope of the case studies with MFT products and services providers indicate that tourism products and services providers are aware of the need to remain competitive and are pricing their products and services accordingly. In certain cases, however, some providers increase prices due to high demand for MFT products in peak seasons, as mentioned by the Malaysian PNB Perdana management prices are hiked up during what they refer to as the “Arab Season” consisting of the Middle East’s three month summer break.

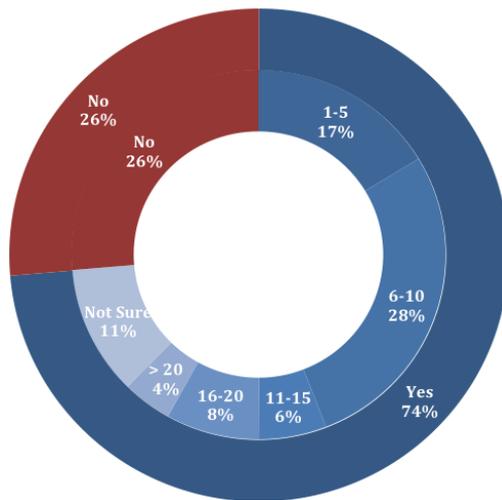
Still, most MFT providers interviewed within the scope of this study, whether from OIC or Non OIC countries, acknowledged that higher pricing was only used during peak seasons due to higher demand as in the case with mainstream products. The exception to this was in the case of higher incurred cost that is generally the case in non OIC countries where tourism providers need to make major changes to their establishments or production process. However, non OIC countries which are eager to attract Muslim travelers have provided support to their MFT products and services providers to enable them to remain competitive as in the case of Japan, South Korea and Thailand among others.

Survey respondents were asked if they were willing to pay extra to receive products and services tailored to meet their religious needs, almost three quarter of the respondents (74%) mentioned they would be willing to pay more. When asked how much more in terms of a

percentage they were willing to pay, more than a third of those who were willing to pay more cited figures from 6-10%, close to a quarter of them were willing to pay more than 10% while a similar percent was willing to pay only from 1-5% more and the rest were unsure how much more they are willing to pay.

Figure 18: Willingness to Pay Extra for MFT Products and Services

“Would you be willing to pay more to receive services and products tailored to meet your religious needs? If yes, please indicate in terms of a percentage how much more you are willing to pay”



3.5 Promotion of MFT Products and Services

OIC government agencies and MFT products and services providers use a mix of traditional and digital promotional tools to increase the visibility of their MFT sector and attract Muslim travelers. There is an increasing utilization of digital promotional tools including the creation of online content and mobile applications targeting Muslim travelers. The following examples show a variety of government and private sector promotional activities;

Malaysia has been actively promoting itself as a Muslim friendly destination through the use of a variety of tools. Tourism Malaysia has established overseas offices in a number of countries including Turkey, Saudi Arabia, Indonesia, Brunei and Iran. It has participated regularly in the Arabian travel Market since 1993 as well as organizing regular familiarization trips for Middle Eastern media and industry professionals. Malaysia implemented a marketing campaign, “Visit Malaysia Year 2014” targeting the Middle East. The campaign activities included organizing familiarization trips for journalists and travel agents as well as launching online tour packages and a mobile application during the Dubai Arabian Travel Market. The “Tourism Malaysia Dubai-App” provides travelers with information on tourist destinations in Malaysia and enables them to book flights and hotels in addition to offering special deals and packages from Dubai to Malaysia.¹⁴⁵ Malaysia also hosts the Malaysia

¹⁴⁵ Shafaei, Fatemeh and Badaruddin Mohamed. “Malaysia’s branding as an Islamic tourism hub: an assessment.” *Malaysian Journal of Society and Space* (2015) 11: 97-106.

International Halal Showcase (MIHAS) and the World Halal Conference (WHC) which contribute to enhancing its image as a major player in the MFT market.¹⁴⁶

The Malaysian hotel PNB Perdana on the Park utilizes several promotional tools including print publications especially travel magazines in the Middle East but their main focus is on digital tools specifically social media as it enables them to get their message to a more larger and more diverse audience in comparison to traditional media. It also allows them to have more direct communication with customers enabling them to build more personal relationships.

Indonesia launched in 2015 an interactive visitor guide titled “Many lands, Timeless culture, One journey” in both English and Arabic as part of a campaign to attract Muslim travelers. The guide provides information about Indonesia’s attractions and Halal dining options as well as mosques around the country. The guide was made available to travel agents and a downloadable version was widely published online.¹⁴⁷ The Indonesian Ministry of Tourism organized a familiarization trip for Saudi tourism operators in January 2016 followed by one for Egyptian tourism operators in March to visit its main tourism areas.¹⁴⁸ The Ministry of Tourism developed a campaign with three celebrity bloggers who were invited to Indonesia with their families and posted their adventures on HalalTrip’s website.¹⁴⁹

Saudi Arabia has a plan to start promoting itself as a tourism destination. Its newly unveiled “Vision 2030” includes issuing tourist visas and improving Islamic historical and heritage sites. The plan includes establishing a number of museums to attract travelers including the world’s largest Islamic museum which will provide an “immersive journey” that encompasses the history of Islamic civilization including Muslim scientific and cultural contributions.¹⁵⁰

3.6 The Role of the Government in Developing the MFT Sector

OIC Governments have supported to varying degrees the development of the MFT sector. Their efforts included those aimed at raising awareness among tourism products and services providers of the MFT market potential and Muslim consumer needs, supporting providers in developing and certification of MFT products and services, and engaging in destination marketing.

1. Raising Awareness

A number of OIC official tourism agencies bodies have engaged in raising awareness of the MFT market potential and Muslim traveler expectation and needs. The following examples show a variety of government initiatives in this area;

- Recognizing the potential of the MFT market, Malaysia created the Islamic Tourism Centre (ITC) in 2009 as advisory entity on MFT to other government bodies. The ITC mandate includes conducting research and delivering training courses as well as organizing workshops and seminars and publishing materials on sustainable tourism practices in the MFT sector. The ITC’s Islamic Tourism Masterclass is a capacity

¹⁴⁶ “Malaysia the World’s Leading Halal Hub.” Islamic Tourism Centre Malaysia. Web.

¹⁴⁷ “Indonesia Launches New Visitor Guide for Muslim Tourists” HalalTrip. 9 Dec. 2015. Web.

¹⁴⁸ “Tourism Ministry Preparing Trip Program for Egyptian Tourism Operators.” Antara News. 30 Mar. 2016. Web.

¹⁴⁹ Please refer to Indonesia’s case study for further information.

¹⁵⁰ “Full text of Saudi Arabia’s Vision 2030.” Al Arabiya English. 9 May 2016. Web.

building program aiming to create awareness among the tourism industry players with the Muslim-friendly Hospitality Services Requirements standard.

- Brunei organizes an annual “SME Halal Workshop” program to increase awareness among SMEs of the global Halal market and to encourage them to play a role in Brunei’s Halal program. The workshop also provides them with information about the assistance provided by government agencies for the SMEs in the Halal sector.¹⁵¹

2. Products and Services Development

Besides planning and improving the basic infrastructure, some OIC governments have provided support for SME to help them develop products and services targeting Muslim travelers in acknowledgment of the importance of that sector. The following examples show some government initiatives in this area;

- The Saudi Commission for Tourism and National Heritage (SCTH) launched the “Saudi Hospitality Heritage Company (SHHC)” initiative in 2000 as a part of an integrated cultural heritage development program. This initiative aims to develop a network of heritage hospitality facilities in various parts of Saudi in an effort to attract Muslim travelers.¹⁵²
- The Indonesian Ministry of Tourism plan to promote pilgrimage destinations the allocation of over \$75,000 to improve the infrastructure at each destination. The plan also includes sending trainers to each destination to train local guides and hospitality staff as well as chorographers to improve cultural dances.
- In Turkey, the SME Development and Support Administration (KOSGEB) provides subsidies to tourism SMEs targeting foreign markets including those targeting Muslim consumers. The KOSGEB supports SMEs through refunding them up to 75% of their expenditure on marketing. The Government, through its Emergency Support Incentives for Turkey’s tourism industry initiative, also provides travel agencies that bring at least 400.000 tourists from a number of countries including Gulf and OIC’s Central Asian countries with USD 35 million from the Credit Guarantee Fund.

3. Certification of Products and Services

With certification being one of the main challenges facing entrants to the MFT market, governments have been increasingly active in setting guidelines for Halal certification and supporting MFT products and services providers obtain Halal certification. Malaysia, Turkey, Indonesia, the UAE and Brunei are among the countries that developed their own Halal certification brands. The following examples show a variety of government initiatives in this area;

- In Malaysia, the Islamic Tourism Centre (ITC) and the Halal Hub Division under JAKIM have collaborated on a program for the MFT industry products and services providers on Halal certification and standardization. The targeted providers include hoteliers and homestay operators, travel and tour operators, airline companies, and tourism

¹⁵¹ “Small and Medium Enterprise Development Policies in Brunei Darussalam.” ASEAN. Web.

¹⁵² “Global Report on Public-Private Partnerships: Tourism Development.” UNWTO. Spain: November 2015.

associations. Both the De Palma Group of Hotels and PNB Perdana on the Park have acquired Halal certification for several of their restaurants.

- In Indonesia, Jakarta Tourism and Culture Department and the Indonesian Ulema Council (MUI) have created in 2013 a Halal certificate for hotels, restaurants, and caterings in the capital city in an effort to attract more Muslim tourists to these establishments.¹⁵³ The certification was provided free of charge to hundreds of Small Micro and Medium Enterprises that produce foods and beverages in addition to providing them with training on management of Halal production.¹⁵⁴

4. Destination Marketing

Destination marketing is one of the areas many OIC governments have been actively contributing to. Among the initiatives undertaken by governments in this area is the development of Muslim visitor guides in a variety of formats suitable for different platforms as well as organizing conferences and industry events in addition to creating strategic partnerships to help promote the MFT sector. The following sections contain examples showing a variety of government initiatives in this area;

- **Muslim Visitors Guides**

- ❖ In Indonesia, the Ministry of Tourism published a Muslim visitor guide in both English and Arabic to provide information on attractions, shopping destinations, Halal dining options, hotel accommodation, and places to pray and mosques on the island. The ministry circulated copies of the guide among travel agents and provided it online version on several websites.
- ❖ In Malaysia, the Islamic Tourism Centre (ITC) publishes a number of guides including a general one for MFT products and services entitled “Muslim-friendly Malaysia” in addition to more specific guides for special seasonal events that could be of interest to Muslim travelers such as the “Guide to Islamic Festivals in Malaysia”. All guides are available for download from the ITC website.

- **Industry/Trade Events**

- ❖ Malaysia hosts two major events associated with the Halal industry; the Malaysia International Halal Showcase (MIHAS) and the World Halal Conference (WHC). They were also previously associated with the World Halal Forum (WHF) held from 2006-2013. These events have contributed to enhancing Malaysia’s image as a major player in the MFT market.¹⁵⁵
- ❖ Among the events organized by the ITC; the “Islamic Tourism and Halal Conference (ISTHAL)” in 2009, the “International Islamic Tourism Conference and Travel Mart” in 2010, and the “Islamic Fashion Festival” in 2012.¹⁵⁶

¹⁵³ "MUI and Jakarta City Issue Halal Certificate for Hotels, Restaurants and Catering." Islam.ru. 19 Dec. 2013. Web.

¹⁵⁴ "Indonesia: Free Halal Certification Provided for 750 UMKM." Halal Focus. 20 Mar. 2014. Web.

¹⁵⁵ "Islamic Tourism Centre - Enhancing Ties, Enriching Knowledge." Islamic Tourism Centre Malaysia. Web.

¹⁵⁶ "The Contribution of Islamic Culture and its Impact on the Asian Tourism Market" *UNWTO*. In: Regional Seminar on the Contribution of Islamic Culture and its Impact on the Asian Tourism Market (16-17 November 2015), Brunei Darussalam.

- ❖ The Indonesian Ministry of Tourism organized meetings between tour operators from Indonesia and Saudi buyers in Jeddah, Riyadh and Dammam in November 2015. It also organized Familiarization trips for tourism operators, especially from Saudi Arabia in January, 2016 and from Egypt in March and April, 2016.
- ❖ In Turkey, the 2nd Halal Travel Conference was held in Konya. The Turkish State Railways is sponsoring the event and providing free fast train tickets for foreign visitors for their way from Istanbul Airport to Konya city.
- **Strategic Partnerships**
 - ❖ Indonesia and Malaysia are cooperating in developing and strengthening MFT products as well as promoting both countries as MFT destinations through joint travel packages targeting Muslim travelers. This cooperation was initiated during the 43rd ASEAN NTO Meeting in January 2016.
 - ❖ In 2012, Brunei Tourism Development Department launched the Brunei – Malaysia Islamic Tour package in collaboration with Tourism Malaysia and Malaysia’s Islamic Tourism Centre at the Islamic Cultural Centre, London Central Mosque. The Brunei tour package, “The Kingdom of Unexpected Treasures” was created by travel agencies in Malaysia in cooperation with Darussalam Holdings, the designated local travel agent by Brunei Tourism Development Department.¹⁵⁷
- **Public Relations Activities**
 - ❖ In Indonesia, the Ministry of Tourism launched a campaign featuring three celebrity bloggers, two from Malaysia and one from Singapore, who were invited to travel to Indonesia with their families to document their adventures on blog posts on HalalTrip’s website.
 - ❖ The Indonesian coastal city of Pariaman in Indonesia organized a blogging contest to promote itself as an Islamic tourism destination. To take part in the contest, high school student from the city created blog entries about their city’s being a Halal tourism destination.
 - ❖ In Brunei, an exhibition showcasing Islamic artefacts from Turkey as well as the private collection of the Sultan of Brunei was launched as part of a promotion campaign to highlight Brunei as a Muslim friendly destination. Journalists were invited from Singapore, Malaysia and Indonesia to cover the event.¹⁵⁸

¹⁵⁷“Brunei Tourism Launched Brunei-Malaysia Islamic Tour Package in the United Kingdom.” ASEAN Tourism. 7 Nov. 2012. Web.

¹⁵⁸ Masli, Ubaidillah. “Brunei Taps into Islamic Tourism.” The Brunei Times. 17 Mar. 2011. Web.

4 Case Studies

4.1 Egypt

1. Type/Focus area for case study

Desk Case Study/ MFT Products and Services

2. Reasoning behind focus area choice

Egypt provides a full array of MFT products and services; airports, airline, hotels, restaurants, and entertainment and shopping venues. Being a Muslim majority country, Egyptian food served in both hotel restaurants and food outlets all around the country is essentially Halal. Egypt's vast supply of Halal restaurants offers a variety of choices from traditional Egyptian dishes to international cuisine. Cairo, Egypt's capital city, is aptly labeled "the city of 1000 minarets" which means Muslim tourists can find a mosque wherever they go. Throughout the country, prayer areas are also available from the point the tourist arrives at any of Egypt's international airports to most of the areas they decide to visit including shopping malls, cultural and entertainment sites.

3. Background

Table 3: Egypt – Tourism Figures

	2014	2015	2016	2017	2018	2019	2020	CAGR
Total Inbound Tourist Arrivals (Mil)	9.7	10.42	11.19	12.02	12.91	13.86	14.89	7.40%
Total Inbound Expenditure (\$ Bil)	7.2	7.73	8.31	8.92	9.58	10.29	11.05	7.40%
Total Outbound Expenditure (\$ Bil)	3.78	3.99	4.36	4.76	5.19	5.66	6.17	10.30%
Muslim Tourist Arrivals (Mil)	0.65	0.70	0.75	0.81	0.86	0.93	1.00	7.40%

Source: UNWTO; DinarStandard synthesis and analysis; Government Statistics.

Egypt's Muslim tourist arrivals have been estimated to grow by 7.4 percent CAGR from 700k arrivals in 2015 to 1 million arrivals in 2020. The CAGR reflects total inbound tourist arrivals and total inbound expenditure, which is estimated to grow from 10.4 million arrivals spending \$7.7 billion in 2015 to nearly 15 million arrivals spending \$11 billion in 2020.

The Central Agency for Public Mobilization and Statistics (CAPMAS) reported the number of tourists arriving in Egypt during 2015 as 9.3 million, with 1.7 million from Arab countries.¹⁵⁹ Egypt has been listed several times in Muslim tourism reports as one of the top destinations

¹⁵⁹ Mounir, Hossam. "5.6% Decrease in Number of Tourists in 2015: CAPMAS." Daily News Egypt. 9 Mar. 2016. Web.



for Halal Tourism.¹⁶⁰ Egypt is currently seeking to improve security at international standards for visiting tourists and has allocated USD 32 million to procuring modern security systems and protocols.¹⁶¹

4. MFT Products and Services

- **Muslim-friendly Airports**

Egypt has over 20 airports covering its various regions, with over 10 of these airports receiving regular direct international flights including: Cairo, Hurghada, Sharm El Sheikh, Luxor, Aswan, Alexandria, Borg El Arab, Assuit, Taba, Marsa Matrouh, and Souhag airports. All Egyptian airports offer a variety of Halal food outlets in addition to having designated prayer areas for the convenience of travelers.¹⁶²

- **Muslim-friendly Airlines**

Egyptair, Egypt's national flagship carrier, was established in May 1932. Egyptair was the first airline in the Middle East and Africa and the seventh airline in the world to join IATA. It joined the Star Alliance network in 2008. The Egyptair fleet consists of 79 aircrafts flying to 79 destinations in 53 countries. All food served on board is Halal. In-flight entertainment includes a Quran audio channel. Travel supplication is shown in Arabic on monitors prior to takeoff and landing.¹⁶³

- **Muslim-friendly Hotels**

Being in a Muslim country, hotels all over Egypt offer Halal food and adjust meals according to fasting schedules in Ramadan. Several hotel chains offer separate spas for women and men including some luxury brands such as Kempinski¹⁶⁴ and Conrad. Some hotel chains offer separate women's pools for their clientele such as the Porto hotels of Amer Group¹⁶⁵, Les Rois¹⁶⁶ hotel in Hurghada and Aida Hotel in North coast among others. Both Amer Group Porto hotels and Les Rois hotel are also dry hotels.

- **Muslim-friendly Restaurants**

Egypt is home to a multitude of international and local restaurants and fast food outlets. International fast food brands such as Kentucky Fried Chicken, Hardee's, Pizza Hut and casual dining restaurant T.G.I Friday's, all part of Americana Group, use Halal ingredients and operate Halal only kitchens.¹⁶⁷ Travelers can choose between a variety of Halal restaurants offering from the traditional Egyptian and Arab cuisine to western and Chinese cuisines. Chili's, Alain le Notre and Johnny Carino's, all part of Amer Group, provide Halal food using Halal only kitchens and do not serve alcohol.¹⁶⁸

¹⁶⁰ "Muslim Friendly Tourism (MFT): Understanding the Supply and Demand Sides In the OIC Member Countries." *CrescentRating*. Feb. 2016.

¹⁶¹ "Egypt Develops New Strategy with UN Organization to Strengthen Tourism Sector." *Egyptian Streets*. 25 Feb. 2016. Web.

¹⁶² "Our Airports." *Egyptian Airports Co.* Web.

¹⁶³ "About Us." *Egyptair*. Web.

¹⁶⁴ "Luxury Spa." *Kempinski*. Web.

¹⁶⁵ "FY 2015 Earnings Release." *Amer Group*. Web.

¹⁶⁶ "Egypt's 'First' No-Alcohol Resort Opens in Hurghada." *Ahram Online*. 28 Apr. 2013. Web.

¹⁶⁷ "Annual Report 2012." *Americana Group*. Web.

¹⁶⁸ "FY 2015 Earnings Release." *Amer Group*. Web.

- **Muslim-friendly Travel Agents**

A number of travel agents have started creating heritage tours of Egyptian Islamic sites and plan their tours so that they are close to mosques at prayer times. To accommodate Muslim travelers, some companies create tailored tours that include cruises on small completely private chartered boats. Another way of accommodating Muslim travelers in the absence of Halal hotels in the area is to rent private houses for the use of their customers.¹⁶⁹

- **Highlighted Supplier: Amer Group**

Amer Group was the first to introduce single-branded resort destinations in Egypt through its “Porto” brand. It focuses on building mixed-use family-oriented destinations in Egypt. The Group operates across four primary interlinked lines of business, including real estate, malls, restaurants and hotels. Amer Group subsidiaries offer facilities management, sales and vacation club services, among other services, to Amer developments.¹⁷⁰

Amer Group owns and manages 7 three to five star Hotels scattered across its Porto developments. “Porto Marina” on Egypt’s Mediterranean coast was their first Porto-branded mixed-use development in June 2005. Since then, the group has successfully replicated the Porto concept in other locations across Egypt. The Hotels division manages properties in Porto Marina, Porto Golf Marina, Porto Sokhna and has inaugurated new properties in Porto Matrouh Beach Resort and Porto South Beach.

Amer Group Hotels distinguish themselves by offering a complete package of family-oriented resort destinations where retail shops, restaurants and other entertainment activities are available in a single location.

It designates Egyptians and Arabs as their “core demographic” and markets itself as focusing on “traditional family values” of the region. The facilities that they label as “family-friendly” do not serve alcohol, sell cigarettes or allow nightclubs on site. In FY2015, revenues for Amer Group’s Hotel segment rose 26% YoY, recording EGP 149.5 million (\$19.1 Million) vs. EGP 118.6 million (\$16.6 Million) registered revenues in FY2014. The increase in revenues was driven by 9% increase in 2015 total guests, which also led to 34% increase in total room revenue. Hotel occupancy rates grew two percentage points, reaching 58% compared to the 56% occupancy rate in FY2014.¹⁷¹

- **Restaurant/Food Outlet Chains**

Amer Group also operates a number of restaurants and food outlet chains across Egypt. All of Amer Group facilities offer Halal food and do not serve alcohol. Most of their food outlets offer children’s entertainment areas with the aim of creating a family friendly atmosphere.

Amer Group brands include a number of franchises as well as its own developed local brands. They introduced Chili’s, the American chain, to Egypt in 1994, and it has spread across the region ever since with 20 restaurants in Egypt and 55 across the Middle East. Their international brands also include Johnny Carino’s and Alain le Notre. The Group recently launched its newest franchise in 2015, Ocean Basket, one of South Africa’s most popular seafood chains. Locally developed brands include Studio Masr and Halaket El Samak. Studio

¹⁶⁹ Mr. Sayed El Damanhoury, Interview, Egypt, March 2016.

¹⁷⁰ “FY 2014 Earnings Release.” *Amer Group*. Web.

¹⁷¹ “FY 2015 Earnings Release.” *Amer Group*. Web.



Masr, with ten branches across Egypt, shows black and white movies, and offers grilled food. Halaket El Samak, which is named after Alexandria's famous seafood market, gives its clientele a choice from the catch of the day on display in its 6 branches across Egypt.

The restaurants segment of Amer Group FY2015 revenues was EGP 223.9 million with an Operating Profit of EGP 18.4 Million, a strong increase of 326% Year on Year with an Operating Profit Margin of 8%.¹⁷²

- **Shopping Malls and Entertainment Venues**

Amer Group operates eight malls in four locations around Egypt, including Meeting Point New Cairo, Porto Marina Mall, Golf Marina Mall, Porto Cairo Mall, Porto Matrouh Mall, Mega Mall, Sky Mall and Waterfront Mall. El Futaim Holding has inaugurated a new branch of the Carrefour chain in Porto Cairo Mall with an investment equivalent to EGP 10 million as part of the partnership agreement that was signed between Al Futaim and Amer Group. Porto Cairo Mall is a new concept of Mall in New Cairo that is mixed with entertainment and a variety of shopping outlets and famous restaurants. It was opened in April 2015. Malls Division Revenues recorded EGP 55.5 million in Financial Year 2015.¹⁷³

5. Challenges

- Safety and security remain problematic for the Egyptian tourism sector as a whole. While the Egyptian government is currently improving airport security measures and working on promoting tourism in general, such issues take time to be resolved and for trust to be rebuilt.
- The tourism industry is not very receptive to being branded as Shariah compliant or Halal.¹⁷⁴ Those catering to Muslim travelers are focusing their marketing more on being family friendly as in the case of Amer group.

6. Lessons Learned

- Amer Group provides a successful example for vertical integration with its mixed-use Porto developments. The Group manages Muslim-friendly hotels, restaurants, entertainment and shopping venues creating a seamlessly integrated Muslim-friendly experience for their clientele.
- Amer Group marketing strategy focusing on "family friendly" entertainment remains inclusive enough to appeal to non-Muslim consumers. Aiming to attract Egyptians and Arabs, Amer Group markets itself as focusing on "traditional family values" of the region.
- Egypt has taken active measures to restore tourist confidence procuring modern security systems and protocols. With the implementation of these measures and proper communication of the increased safety, Egypt should be well poised to restore its touristic status.

¹⁷² "FY 2015 Earnings Release." Amer Group. Web.

¹⁷³ Ibid.

¹⁷⁴ ElMeshad, Sarah. "Making Travel Halal: Amid Tourism Troubles, Some in Industry See Opportunity for a Niche Market." *Egypt Independent*. 23 Aug. 2012. Web. 11 Mar. 2016.

4.2 Bosnia

1. Type/Focus area for case study

Desk Case Study/ MFT Products and Services

2. Reasoning behind focus area choice

Bosnia has started attracting Muslim tourist from the Middle East in recent years. The Muslim Bosnians constitute close to half of the population. Consequently, the country has a number of Halal offerings targeting both domestic and international tourism. In 2015, the country has attracted investments from Dubai-based developer Buroj Property amounting to \$4.8 billion to construct a luxury resort in Sarajevo.¹⁷⁵

3. Background

Table 4: Bosnia - Tourism Figures

	2014	2015	2016	2017	2018	2019	2020	CAGR
Total Inbound Tourist Arrivals (Mil)	0.54	0.59	0.65	0.71	0.78	0.86	0.95	10.00%
Total Inbound Expenditure (\$ Bil)	0.71	0.78	0.86	0.94	1.04	1.14	1.25	10.00%
Total Outbound Expenditure (\$ Bil)	0.17	0.17	0.19	0.21	0.23	0.25	0.28	8.84%
Muslim Tourist Arrivals (Mil)	0.08	0.09	0.10	0.11	0.12	0.13	0.14	10.00%

Source: UNWTO; DinarStandard synthesis and analysis; Government Statistics.

Bosnia's Muslim tourist arrivals have been estimated to grow by 10 percent CAGR from 90k arrivals in 2015 to 140k arrivals in 2020. The CAGR reflects total inbound tourist arrivals and total inbound expenditure, which is estimated to grow from 600k arrivals spending \$780 million in 2015 to nearly 950k arrivals spending \$1.25 billion in 2020.

Bosnia has the infrastructure and the potential to become a Muslim-friendly tourism destination. In 2011, the Agency for Halal Quality Certification has collaborated with CrescentRating to promote Halal-friendly tourism in Bosnia as well as other countries in Southeast Europe. They have organized "roundtable" meetings with tourism providers to promote MFT.¹⁷⁶

¹⁷⁵ "Dubai developer to build \$4.8 billion tourist resort in Bosnia"

¹⁷⁶ Pavlova, Iskra. "Uncharted Land." The Sofia Echo. 11 Oct. 2011. Web.



4. MFT Products and Services

- **Muslim-friendly Airports**

Sarajevo International Airport has opened a prayer room for Muslims on the first floor of Terminal B, before the passport and customs control.¹⁷⁷

- **Muslim-friendly Hotels**

A number of hotels offer Muslim-friendly services including Europe Sarajevo, City Boutique Sarajevo, and Art Slavonski Brod. Hotel Europe in Sarajevo is halal certified by the Agency for Halal Quality Certification in Bosnia and Herzegovina. The hotel provides Muslim guests with prayer mats and copies of the Qur'an in their hotel rooms, times as well as including a Qibla signage in the room. The City Boutique Sarajevo hotel offers Halal food and has prayer areas in addition to providing Qibla signage, prayer mats, and copies of the Qur'an in its rooms. The Art Slavonski Brod hotel Muslim-friendly services include Qibla signage, prayer mats, and copies of the Qur'an in its rooms in addition to providing a prayer timetable and ensuring rooms have no alcohol.¹⁷⁸

- **Muslim-friendly Restaurants**

Restaurant "Terasa" Sarajevo has become the first halal certified restaurant in Bosnia. The restaurant, which does not offer alcohol, has obtained a "Diamond" certification, which is the highest level, since it serves only Halal food and has a prayer room on its premises¹⁷⁹. A number of other restaurants offer Halal food but serve alcohol including Hindin Han restaurant in Mostar which serves grilled Halal meat and Nanina Kuhinja in Sarajevo which serves traditional dishes such as goulash and meat and eggs.¹⁸⁰

- **Muslim-friendly Travel Agents**

Tour Bosnia Travel agency ensures its guests being a travel experience that doesn't clash with Islamic principles, by providing comprehensive Muslim-friendly services from transportation to accommodation. The agency organizes thermal treatments in spa resorts where Halal food is served and separate facilities are provided for men and women.¹⁸¹ Halal Friendly holidays tour agency builds its tour itinerary to accommodate prayer needs of Muslim travelers ensuring will be incorporated into the daily travel schedule in accordance with the a break for prayer close to ablution facilities and provides prayer mats for its clients.¹⁸² Another travel agency, the UAE-based Holiday Bosnia, offers adventure trips to Bosnia with a philanthropic component. Their Peace Camp gives tourists the opportunity to engage in white-water rafting, hiking and mountain-climbing, skiing and horseback riding as well as giving them the chance to interact with the local communities. The camp has prayer areas and Muslim travelers are provided with prayer timetables and information about halal food outlets.¹⁸³

¹⁷⁷ "Masjid opened at Sarajevo International Airport." Best Halal Holiday. Web.

¹⁷⁸ Best Halal Holiday website.

¹⁷⁹ Restaurant Teresa Website.

¹⁸⁰ Trip Advisor Website.

¹⁸¹ Tour Bosnia Website.

¹⁸² Halal Friendly Holidays Website.

¹⁸³ El Shafaki, Reem. "The Growth of Adventure Tourism for Thrill-seeking Muslim Travelers." Salaam Gateway. 5 Jan. 2016. Web.

Highlighted Supplier: Holiday Bosnia

The Plivsko Jezero Hotel is 20m away from the Large Pliva Lake. The hotel started offering Muslim-friendly services in 2010, bringing in Halal certified food products and providing a prayer room in the hotel. In the beginning, there was backlash from the community and even from other hotel guests. The hotel management resorted to employing guards for the premises in the first year. However, with increased interaction, a more tolerant atmosphere developed.

The hotel started promoting itself through traditional advertising tools, namely TV ads, in Kuwait, UAE and Saudi Arabia. In the first year, the hotel had 200 Muslim tourist coming in, rising to 3000 tourists in the next year, and then reaching 10,000 annually ever since. The hotel, after its initial used of advertising, has been mainly also relying on word of mouth from satisfied clients to promote itself.

The majority of the hotel clientele come from GCC countries including Kuwait, Bahrain, Saudi Arabia, Oman and the UAE. The hotel mainly used travel agencies in the GCC as a distribution channel but now with returning guests and increased word of mouth, it also gets a lot of reservations through direct sales.

While the hotel currently serves alcohol since 70% of its clientele are non-Muslims, it has plans to establish a Halal only restaurant that does not serve alcohol for its Muslim guests. The management also is thinking of expanding and having a new completely Muslim-friendly hotel.¹⁸⁴

5. Challenges

- It is sometimes quite difficult to accommodate both Muslims and non-Muslims guests needs, as shown in the case of the Plivsko Jezero Hotel. As mentioned, the hotel suffered backlash from both its local community and non-Muslims guests.
- While a few hotels and restaurants have obtained Halal certification, most establishments have not. Many may offer Halal food options but are not certified. This could pose a problem for Muslim tourists if they are unable to ascertain whether such services and products are in compliance with Islamic regulations.

6. Lessons Learned

- Offering innovative travel services, as in the case of Holiday Bosnia adventure tours, can attract Muslim tourists to new areas and help differentiate travel products.
- The use of word of mouth as a promotion tool can be quite effective as in the case of the Plivsko Jezero hotel. Ensuring that Muslim tourists have a good experience is essential to guarantee positive word of mouth.
- Increased interaction is important to cut off backlash from community and non-Muslim guests.

¹⁸⁴ Ribić, Emina. "Interview with the Plivsko Jezero Hotel." Khidr Travel. 27 Aug. 2015. Web.

4.3 Indonesia

1. Type/Focus area for case study

Desk case study/Marketing MFT Products and Services

2. Reasoning behind focus area choice

Indonesia has a well-developed Muslim-friendly ecosystem and is able to accommodate both Muslims and non-Muslims. The government has recently taken increased interest in promoting Indonesia as a Muslim-friendly destination as evident by several recent initiatives including allocating 10% of its tourism budget to Halal tourism, appointing a special committee reporting to the Ministry of Tourism to promote Halal tourism, as well as being active in trade shows and Fam trips focused on the Middle East.

3. Background

Table 5: Indonesia – Tourism Figures

	2014	2015	2016	2017	2018	2019	2020	CAGR
Total Inbound Tourist Arrivals (Mil)	9.4	10.66	12.09	13.71	15.55	17.64	20.00	13.41%
Total Inbound Expenditure (\$ Bil)	9.8	11.11	12.60	14.29	16.21	18.39	20.85	13.41%
Total Outbound Expenditure (\$ Bil)	10.65	11.22	12.14	13.29	14.47	15.78	17.22	10.08%
Muslim Tourist Arrivals (Mil)	1.05	1.19	1.35	1.53	1.74	1.97	2.23	13.41%

Source: UNWTO; DinarStandard synthesis and analysis; Government Statistics.

Indonesia's Muslim tourist arrivals have been estimated to grow by the highest among case study countries at 13.4 percent CAGR from 1.2 million arrivals in 2015 to 2.2 million arrivals in 2020. The CAGR reflects total inbound tourist arrivals and total inbound expenditure, which is estimated to grow from 10.7 million arrivals spending \$11 billion in 2015 to nearly 20 million arrivals spending \$21 billion in 2020.

Indonesia's Masterplan for Acceleration and Expansion of Indonesia's Economic Development (MP3EI) includes tourism as one of its eight main programs. The Ministry of Tourism and Creative Economy has designated three provinces in Indonesia as Halal tourist destinations: Lombok, West Sumatra and Aceh. The selection of these three destinations was based on certain criteria involving 80 metrics/parameters which they set with the Tourism Institute.¹⁸⁵ Lombok won the world's top Halal tourism destination award at the 2015 World Halal Travel Summit as well as the world's best Halal honeymoon destination; Aceh is the only province in Indonesia that follows Shariah law, but it does not have any Shariah certified hotels; and West Sumatra is culturally known as a religious province.

¹⁸⁵ From interview with Riyanto Sofyan, Chairman of PT Sofyan Hotels, March 2016

4. Marketing of MFT Products and Services

The government is taking the lead in promoting Indonesia as a Muslim-friendly destination through the Ministry of Tourism. The following are some of the recent initiatives taken by the Ministry.

- Recently appointed a special committee, reporting directly to the Ministry, to develop and promote Halal tourism in Indonesia. The committee is called “Team for Accelerated Development of Halal Tourism” and is headed by Riyanto Sofyan, Chairman of PT Sofyan Hotels. The Ministry of Tourism had lacked a special person responsible for the marketing of Halal tourism and that is why the Minister appointed this committee.
- Indonesian Tourism Minister Arief Yahya said that the Ministry would allocate 10 percent of its promotional budget for Halal tourism in the proposed state budget for 2016, which was estimated to stand at Rp 4 trillion (\$291.4 million).¹⁸⁶
- A Muslim visitor guide in English and Arabic was released jointly by the Ministry and HalalTrip in November 2015. The guide provides information on attractions, shopping destinations and additional experiences across the island. It also highlights Halal dining experiences, Halal hotels, places to pray and mosques within the island. The ministry conducted a marketing campaign to promote the new guide, which included distributing copies of the guide among travel agents and partners across the world as well as providing an online version on several websites.¹⁸⁷
- An influencer campaign in partnership with HalalTrip was launched featuring three celebrity bloggers, two from Malaysia and one from Singapore. The bloggers traveled to Indonesia with their families and documented their adventures for blog posts on HalalTrip’s website. The 3 celebrity bloggers spent seven days exploring Jakarta, Bandung and Bali. Yuyu Zulaikha, from Malaysia, has over 113,000 Instagram followers, over 63,000 Facebook followers, and 12,700 Twitter followers (at the time of writing this study); Nurfatiin, from Singapore had over 16,700; while Fatin Suhana from Malaysia had 100,000 followers, 36,497 Facebook followers, and over 8,500 Twitter followers.
- The Indonesian Ministry collaborated with Malaysia to strengthen MFT products as well as to promote both countries as MFT destinations. The two countries plan to have combined MFT packages including both Malaysian and Indonesian travel products that meet the expectations of Muslim tourists.
- An initial Ministerial level meeting was held during the 43rd ASEAN NTO Meeting in January 2016 to share expertise in developing Muslim-friendly products that was followed by a series of technical meetings involving travel trade professionals.¹⁸⁸
- The ministry organized familiarization trips inviting tourism operators, especially from the Middle East and specifically the GCC. Some of the recent trips included a visit

¹⁸⁶“Indonesia to Further Develop ‘Halal Tourism’.” Web. 3 Nov. 2015.

¹⁸⁷“Indonesia Targets Muslim Tourism Market with Interactive Guide.” Web. 20 May 2016.

¹⁸⁸ Huduyo, Mimi. “Indonesia, Malaysia share strengths in Halal tourism.” Web. 20 Jan. 2016

from Saudi Arabian tour operators in January, 2016. Another trip involved Egyptian tour operators who visited Jakarta, Bandung and Bali from in March and April, 2016.¹⁸⁹

- Indonesia has participated in travel shows to promote MFT in the country. Recent shows included the Riyadh Travel Show in Saudi Arabia and the Arabian Travel Market in Dubai in April 2016.
- The government organized sales missions for Indonesian travel operators to meet their counterparts in targeted Middle East countries. In November 2015, tour operators from Indonesia met with Saudi buyers in Jeddah, Riyadh and Dammam.¹⁹⁰
- Plans to promote pilgrimage destinations are being looked into.
- Work is being done on improving MFT products. \$75,000 has been allocated to improve each pilgrimage destination, particularly in terms of maintaining public toilets. 100 trainers will be deployed for each destination to train local guides and hospitality staff. Choreographers will be engaged to improve cultural dances.
- Strengthening the ecosystem of Halal economy sector through taking the following initiatives within the OIC:
 - Hosting The 5th Extraordinary OIC Summit in March 2016 in Jakarta, Indonesia
 - Hosting Islamic Development Bank (IDB) Group's 41st Annual Meeting, in May 2016 in Jakarta, Indonesia
 - Hosting The 12th World Islamic Economic Forum (WIEF), in August 2016 in Jakarta, Indonesia
- The National Committee of Sharia Finance was formed in January 2016, with Indonesia's President, Joko Widodo, acting as the Chairman. This committee was formed, not only to support the finance sector, but all of the Halal Lifestyle sector in Indonesia, especially Halal tourism.

5. Distribution

Most travel sales in Indonesia are through offline channels. In 2013, only 10% of all travel was booked online.¹⁹¹

For Sofyan hotels because their customers are mostly corporate clients, they book directly with the hotel. Although the Sofyan hotels are on 18 online travel sites (OTAs), they only get about 500 room nights per month from them.

6. Promotion

The destination marketing website www.indonesia.travel established by the Ministry of Tourism is aimed at mainstream travelers. It includes celebrity endorsements from actors, supermodels, athletes and others.

¹⁸⁹ Minggu. "Tourism Ministry preparing trip program for Egyptian Tourism operators." Web. 20 Mar. 2016

¹⁹⁰ "Indonesia to intensify pilgrimage tourism promotion activities." Web. 20 Nov. 2015

¹⁹¹ "Indonesia online travel arrived bang brace boom." Web. 27 Jan. 2015

Some industry associations supporting MFT are the Shariah Hotel and Restaurant Association (AHSIN), the Islamic Economic Society (MES), and the Islamic Economic Society and the Halal Food, Hotel and Islamic Tourism. One of the initiatives of AHSIN, which was founded by individuals, financial institutions, educational institutions, research institutions and business entities interested in developing different sectors of the Islamic economy and has offices across 23 provinces in Indonesia was organizing a Focus Group Discussion on Halal tourism in May, 2015 in order to explore universal branding for its MFT tourism product.

7. Pricing

MFT products are priced at either the same or lower than mainstream travel. For example, Sofyan Hotels' strategy is to have competitive prices and provide the best value for money. The challenge is there are so many hotels in Indonesia and most of them sell with a big discount, even the five-star hotels, because in the hotel business you cannot put empty rooms in the fridge. The problem is that there is an over-supply which results in price wars.¹⁹²

8. Challenges

- There are some concerns in the tourism industry that promoting Indonesia as a Muslim-friendly destination will alienate mainstream travelers. When the Sharia Economic Society (MES) chairman, Muliaman D. Hadad announced that it is worth exploring developing Shariah tourism in Bali as a business opportunity, he was met with strong opposition from local leaders and influential figures.¹⁹³
- Even though the government subsidizes the Halal certification for hotels and for restaurants, the industry is reluctant to do that, because they feel they are already Halal and there is no need for the certification.
- Government initiatives to promote Indonesia as a Muslim-friendly destination are still in their infancy, and there are still no strong integrated promotional campaigns promoting Indonesia as a Muslim-friendly destination.

9. Lessons Learned

- Bi-lateral collaboration in strengthening MFT products as well as in offering combined packages that are jointly promoted is important and can be replicated by other OIC member countries.
- Influencer campaigns and competitions that involve social media and blogging are a successful way to promote a destination to targeted countries. The campaign that the Ministry ran with HalalTrip highlighted the adventure of bloggers from Malaysia and Singapore.
- Fam trips and trade shows continue to be important in connecting buyers and sellers and establishing relationships.

¹⁹² From interview with Riyanto Sofyan, Chairman of PT Sofyan Hotels, March 2016

¹⁹³ Retail News. "Bali governor opposes Shariah tourism idea." Web. 25 Nov. 2015



- A decision to start using the term “Halal tourism” instead of “Shariah tourism” was an important development, as the term “Shariah tourism” can be intimidating to some tourists.
- Although Halal Tourism was not well-received in Bali due to the fear that it will alienate mainstream travelers, the case was entirely different in its closest neighboring island, Lombok, West Nusa Tenggara. When Halal tourism was introduced in West Nusa Tenggara, it was met with a highly positive response, leading the province’s most visited mainstream tourism destination, Lombok, to win two categories in World Halal Travel Awards 2015 in Abu Dhabi, which are World’s Best Halal Destination and World’s Best Halal Honeymoon Destination. Ever since achieving this milestone, Lombok has been constantly developing Halal Tourism and garnered 50% more foreign travelers in 2016 compared to the previous year. Based on this successful experience, it is clear that the Halal tourism concept can be implemented in most mainstream tourism destinations an add-on service for Muslim Travelers.

4.4 Japan

1. Type/Focus area for case study

Desk case Study/MFT Products and Services

2. Reasoning behind focus area choice

MFT products have been expanding rapidly in Japan in the past few years as Japan intensified its efforts to attract Muslim travelers from South East Asia in a bid to diversify its source countries after tensions with Taiwan, South Korea and China affected the inbound tourism volume. With the relaxation of visa requirements for Thailand and Malaysia in 2013, local governments in Japan have provided support to local businesses for the development of Muslim friendly products. Additionally, the anticipation of the influx of foreign visitors by the time Tokyo holds the Olympic Games in 2020, which will surely include a sizeable Muslim segment, has been one of the factors that led to Japanese government interest in supporting local businesses that want to cater to Muslim travelers.¹⁹⁴

3. Background

Table 6: Japan – Tourism Figures

	2014	2015	2016	2017	2018	2019	2020	CAGR
Total Inbound Tourist Arrivals (Mil)	13.40	14.32	15.31	16.37	17.50	18.71	20.00	6.90%
Total Inbound Expenditure (\$ Bil)	18.90	20.20	21.60	23.09	24.68	26.38	28.21	6.90%
Total Outbound Expenditure (\$ Bil)	31.42	30.21	30.87	31.55	32.09	32.83	33.65	1.38%
Muslim Tourist Arrivals (Mil)	0.33	0.35	0.37	0.40	0.43	0.46	0.49	6.90%

Source: UNWTO; DinarStandard synthesis and analysis; Government Statistics.

Japan's Muslim tourist arrivals have been estimated to grow by 6.9 percent CAGR from 350k arrivals in 2015 to 490k arrivals in 2020. The CAGR mirrors total inbound tourist arrivals and total inbound expenditure, which is estimated to grow from 14.3 million arrivals spending \$20.2 billion in 2015 to 20 million arrivals spending \$28 billion in 2020.

According to the statistics compiled by the Japan National Tourism Organization, by the end of October 2015 Malaysian inbound tourist numbers visiting Japan increased by 18.2 percent over last year, while the number of Indonesians increased by a substantial 30.8 percent. Overall, it was estimated that 270,000 Malaysian and slightly less than 200,000 Indonesians had visited Japan in 2015. Naturally, smaller numbers of Muslim tourists are visiting from other nations as well.

¹⁹⁴ Tang, See Kit. "How Japan is Courting Muslim Tourists." *CNBC*. 17 Aug. 2014. Web. 1 Mar. 2016.

To better accommodate the needs of Muslim travelers, Japanese local governments and businesses have worked on developing Muslim-friendly products. Aichi city local government in central Japan published a Japanese-language Muslim Hospitality Handbook to raise awareness of Japanese businesses on how to interact with their Muslim clientele. The handbook contains cartoon illustrations and seeks to explain basic Muslim beliefs, the common difficulties facing Muslims visiting Japan, and Muslims needs in terms of prayer and food.¹⁹⁵

Other local governments have tried to encourage local businesses to cater to Muslim traveler needs by offering these businesses subsidies to help them develop Halal products and obtain Halal certification.¹⁹⁶

In 2015, Tokushima local government in western Japan held meetings on Halal standards for businesses to encourage them to obtain Halal certification. It has offered subsidies of up to 1 million yen (\$8,515) to businesses that are working toward obtaining Halal certification.¹⁹⁷

4. MFT Products and Services

- **Muslim-friendly Airports**

Japanese airports have made an effort to become Muslim friendly by offering Halal food outlets in addition to having designated prayer areas for the convenience of Muslim travelers. Kansai Airport created a prayer room in 2006 and added two more in 2014 in addition to planning to have 16 of its food outlets go pork and alcohol-free.¹⁹⁸ Narita Airport in Chiba Prefecture designated private “Prayer Rooms” for Muslims in its first and second terminals. The “Prayer Rooms” were covered with a carpet and a Qibla direction panel on the ceiling. Initially, these rooms were called “Silence Rooms” and could be used for prayer in the past but had no “Prayer Rooms” sign.

Osaka airport food outlets include a noodle shop and another restaurant serving meals prepared in compliance with Halal guidelines. Haneda Airport in Tokyo also opened a prayer room in 2014.¹⁹⁹

- **Muslim-friendly Hotels**

A number of Japanese hotels have started catering to Muslim travelers needs especially with regard to Halal food including the “Ryokans” which are essentially traditional Japanese inns serving Japanese-style breakfasts and dinners.²⁰⁰ A number of hotels in Tokyo, such as Park Hyatt and Sakura Hotel, offer Halal food options and remove alcohol from Muslim guest rooms to accommodate Muslim travelers. Park Hyatt hotel has installed toilets equipped with a handheld sprayer/shower for Muslim travelers. Sakura Hotel, which also employs Muslim staff, designates the Qibla direction in the room and also offers prayer mats to guests upon

¹⁹⁵ Penn, Michael. "Japan Embraces Muslim Visitors to Bolster Tourism." *Al Jazeera English*. 17 Dec. 2015. Web. 1 Mar. 2016.

¹⁹⁶ Ishida, Michiyo. "Japan's Restaurants Look to Cater to the Halal Food Industry." *Channel News Asia*. 3 Jan. 2016. Web. 1 Mar. 2016.

¹⁹⁷ "Japan Inc. Goes Halal." *Nikkei Asian Review*. 16 Jan. 2015. Web. 1 Mar. 2016.

¹⁹⁸ Tang. "How Japan is Courting Muslim Tourists."

¹⁹⁹ "Airports in Japan Becoming Muslim Friendly." *Muslim Village*. 26 Dec. 2013. Web. 1 Mar. 2016.

²⁰⁰ Takemura, Mariko. "Increasing Muslim Tourists to Japan." *Doing Business in the Halal Market*. London: Euromonitor International, 2015. 36-39.

request.²⁰¹ In Kyoto, the Granvia Hotel displays that it has food certified as Halal by Malaysia Halal Corporation Co. and has Halal condiments. The Hotel uses separate utensils for its Muslim guests to avoid cross contamination. The hotel offers prayer mats and Qibla direction in rooms upon request as well as offering their banquet room for group prayers.²⁰²

- **Muslim-friendly Restaurants**

In an effort to make Muslim travelers able to enjoy Japanese cuisine while still following their religious beliefs, a rising number of restaurants have altered their dishes to be Halal. Hanasakaji-san, a restaurant in Shibuya serving authentic Japanese cuisine, introduced Halal shabu-shabu which contains thinly sliced beef instead of the dish's normal pork. Other dishes such as Ramen and curry, which are popular Japanese menu items among foreign tourists that normally use pork extract, are also being altered to become Halal certified.²⁰³

Taito City in Tokyo, supported by government initiatives to become more Muslim friendly, now has 17 restaurants with Halal certification. This is a marked improvement from having only Indian restaurants serving Halal food in the past. Sushi Ken, makes its own seasoning in-house to ensure it is using all Halal components. At another grilled meat restaurant, the owners not only changed their ingredients to obtain Halal certification but they have even installed a whole new kitchen to be able to serve Halal meat.²⁰⁴

- **Muslim-friendly Entertainment and Shopping Venues**

Japanese karaoke bars traditionally serve food and alcoholic beverages with no Halal food. However, in a bid to appeal to Muslims, some of these establishments have started to accommodate Muslim needs. Karaoke Honpo Maneki Neko in Tokyo began offering Halal food options as well as providing a prayer room for Muslims to make karaoke establishments friendlier to Muslim tourists.²⁰⁵

One of the popular department stores in Tokyo, Takashimaya, opened a prayer room in response to the growing number of Southeast Asian shoppers visiting the mall and inquiring about the availability of prayer areas. The department store prayer room has a facility for Muslim ablution and shows the Qibla direction.²⁰⁶

- **Muslim-friendly Travel Agencies**

Miyako International Tourist Co. tailored their services to accommodate Muslim visitors. They have Muslim guides and they design their tours to accommodate Muslim needs with respect to Halal food and praying. They also organize Islamic heritage tours that include visiting mosques and the Islamic sites in Japan.²⁰⁷

Travelience developed a custom package consisting of a one-day Tokyo Tour for Muslims after noticing that the Muslims who join their regular tours wouldn't eat any of the food served to them. Subsequently, the company began to investigate what kind of food could be

²⁰¹ "Tokyo Area Muslim Friendly Hotels." *Japan Muslim Guide*. Web. 1 Mar. 2016.

²⁰² "A Commitment to Being a Muslim Friendly Hotel." *Hotel Granvia Kyoto*. Web. 1 Mar. 2016.

²⁰³ Takemura. "Increasing Muslim Tourists to Japan."

²⁰⁴ Ishida. "Japan's Restaurants Look to Cater to the Halal Food Industry."

²⁰⁵ Takemura. "Increasing Muslim Tourists to Japan."

²⁰⁶ Nuga, Haruka. "Japan Tries to Tap Growing Muslim Tourist Market." *Japan Times*. 12 Nov. 2014. Web. 1 Mar. 2016.

²⁰⁷ "Welcome to Japan." *Halal Tour*. Web. 1 Mar. 2016.

served to Muslims, then in cooperation with other local business owners they collected information about Halal food and where it could be found in Tokyo. Travelience then designed a special tour package for Muslims, which included standard tourist venues, but also lunch at a Halal restaurant and mosque visits for midday and early afternoon prayers.²⁰⁸

Another travel agency, Feel Japan with K, has also tried to accommodate Muslim tourists in terms of organizing tours that fulfill their requirement of prayer areas and Halal food. On the company website, they offer a guide to Halal restaurants in Tokyo, Hiroshima and other areas in Japan.²⁰⁹

- **Muslim-friendly Travel Mobile Apps and Websites**

An Indonesian native, who moved to Japan and then had a frustrating experience with finding Halal food, developed a mobile phone app named "Halalminds" in 2014 to help both Muslims locally and visitors from overseas to locate Halal products in Japan. The app includes a Halal restaurant locator in addition to a "Qibla compass" that designates prayer direction and also displays daily Quran verses.²¹⁰

Japan Travel Guide website offers a list of Muslim friendly hotels and restaurants in different cities of Japan. The hotel guide includes a description of the Muslim services from having the Qibla direction designated in the room, having Halal food sent to hotels, and offering information about Halal food outlets and mosques in the area. The guide also informs travelers whether the hotel has Muslim staff and if their toilets come equipped with a handheld sprayer/shower.²¹¹

Highlighted Product: HalalMinds Mobile Application

HalalMinds 2.0 mobile application was developed by an Indonesian PHD student studying at Kyushu University in Japan. The application's main features include Halal food barcode scan, Halal restaurant finder, Qibla directions, and a Quran database. It is available for both Android and iOS platforms, and also features Halal scanning of the bar code of drugs, cosmetics, and food products, as well as scanning for non Halal of E numbers (food additives codes used in European countries).

The HalalMinds team has won several awards, including a Pre-startup Award²¹² at Global TIC 2014, Taiwan's largest business plan competition event and the Global Islamic Economy Award²¹³ for hospitality and tourism in 2014. HalalMinds 2.0, also caters for Muslims living or travelling in Taiwan, China and South Korea.

The app developer, who is a Muslim, recognized the challenges that face Muslim travelers visiting non-Muslim destinations in terms of finding Halal products especially in the absence of Halal certification. In Muslim countries, for example Indonesia, Malaysia, and Saudi Arabia, it is easy to find Halal products since the certification information is available. However in

²⁰⁸ Penn. "Japan Embraces Muslim Visitors to Bolster Tourism."

²⁰⁹ "About us." *Feel Japan with K*. Web. 1 Mar. 2016.

²¹⁰ Quigley, J. T. "Hold the Pork – This App Helps Muslims in Japan Find Often Elusive Halal Products." *Tech in Asia*. 21 May 2014. Web. 1 Mar. 2016.

²¹¹ "Tokyo Area Muslim-Friendly Hotels."

²¹² Ikeda, Masaru. "Japan's Muslim App HalalMinds Wins Startup Award in Taiwan, Poised for Asian Expansion." *The Bridge*. 28 Aug. 2014. Web. 1 Mar. 2016.

²¹³ "2014 Islamic Economy Award Winners." *Global Islamic Economy*. Web. 25 Mar. 2016.

countries like Japan, main land China, or South Korea, almost all of the products lack certification. Checking the ingredients of the product is only the way to know if the products are Halal. HalalMinds is looking to expand but funding is still an issue.²¹⁴

“To check the products, users scan the barcode which enables them to view an English translation of the ingredients and alerts them whether the product is ‘Halal (permitted), haram (forbidden) or Syubhat, an in-between category used when it is difficult to know whether Halal methods have been followed, as is often the case with ingredients such as emulsifier.’ The application contains a database of products with pictures and allows users to add details of new products themselves.”²¹⁵

5. Challenges

- There is low understanding of the concept of Halal and what constitutes Halal products and services, which is understandable due to the limited exposure to Islam in the country.²¹⁶ This is actually exacerbated by the fact that certain organizations have entered into the realm of certification without proper knowledge and experience.²¹⁷
- The presence of certain barriers of entry to the Muslim Travel Market, namely the higher cost associated with developing Halal products in some instances, as well as the novelty of the experience in marketing to Muslim travelers which itself poses a difficulty in identifying the channels and messages most suitable for use.²¹⁸

6. Lessons Learned

- The importance of raising awareness of what is Halal is an essential step towards developing Halal products and services. Japan’s case illustrates how local governments as well as businesses are coming together in an effort to increase awareness and develop products suited to Muslim travelers.
- As seen in the various examples of businesses presented in the context of the case, businesses paying attention to consumer inquiries and behavior has led a number of successful Muslim-friendly products being developed. This highlights the importance of paying attention to customers’ needs.

²¹⁴ Tang, Joy. "HalalMinds Extending App to Other Asian Markets." Suroor Asia. 21 Oct. 2014. Web. 1 Mar. 2016.

²¹⁵ Forster, Katie. "New Fukuoka-born App HalalMinds Helps Muslims Find Halal Food in Japan." *Fukuoka Now*. 28 May 2014. Web. 1 Mar. 2016.

²¹⁶ Takemura. "Increasing Muslim Tourists to Japan."

²¹⁷ Mr. Mohamad Zubair, Interview. March 2016.

²¹⁸ Ibid.

4.5 Malaysia

1. Type/Focus area for case study

Field case study/MFT Products and Services and Marketing

2. Reasoning behind focus area choice

Malaysia is ranked first in the *State of the Global Islamic Economy 2015/16* report's Halal Travel Indicator that rated countries based on the health of the MFT ecosystem of the country. Malaysia is also ranked as the number one Muslim-friendly destination by the MasterCard-CrescentRating Global Muslim Travel Index (GMTI) 2016. This is the sixth year in a row that Malaysia has ranked number one having previously topped rankings produced by CrescentRating²¹⁹.

3. Background

Table 7: Malaysia – Tourism Figures

	2014	2015	2016	2017	2018	2019	2020	CAGR
Total Inbound Tourist Arrivals (Mil)	27.4	28.67	30.01	31.40	32.86	34.39	35.99	4.65%
Total Inbound Expenditure (\$ Bil)	21.8	22.81	23.87	24.98	26.15	27.36	28.63	4.65%
Total Outbound Expenditure (\$ Bil)	12.52	12.80	13.96	15.08	16.38	17.78	19.31	9.04%
Muslim Tourist Arrivals (Mil)	4.64	4.86	5.08	5.32	5.57	5.82	6.09	4.65%

Source: UNWTO; DinarStandard synthesis and analysis; Government Statistics.

Malaysia's Muslim tourist arrivals have been estimated to grow by 4.65 percent CAGR from 4.9 million arrivals in 2015 to nearly 6.1 million arrivals in 2020. The CAGR mirrors total inbound tourist arrivals and total inbound expenditure, which is estimated to grow from 28.7 million arrivals spending \$22.8 billion in 2015 to nearly 36 million arrivals spending \$28.6 billion in 2020.

Malaysia is one of the pioneering countries to have an MFT ecosystem, with a Halal industry development framework and dedicated government agencies in place that help support MFT within the nation either directly or indirectly.

With a majority Muslim population, Malaysia was also one of the earliest to recognize the potential of MFT and set up the government linked Islamic Tourism Centre in 2009 to enhance the MFT industry. They undertook strategic tourism research and market intelligence as well as providing training and capacity building services in relation to Islamic tourism.

²¹⁹ MasterCard-CrescentRating Global Muslim Travel Index 2016

4. MFT Products and Services

- **Muslim-friendly Hotels**

Muslim-friendly Hotels in Malaysia have been learning models for the rest of the world. Coming under the banner of “Dry hotels”, these establishments provide basic necessities such as Halal food and prayer room facilities with the Qibla direction on the ceiling. Every room is equipped with the Qibla direction, a prayer mat as well as toilets equipped with a handheld sprayer/shower in the washrooms. All the food and beverage eateries are Halal certified by the Department of Islamic Development Malaysia (JAKIM).

Hotels applying for a conventional star rating to the Ministry of Tourism and Culture have conditions that directly relate to being Muslim-friendly. These minimum Muslim-friendly criteria are already in place along with a host of other general criteria before hotels can be considered for the conventional star rating.

Hotels wishing to embrace a more thorough Muslim-Friendly environment have the option of adopting the existing Muslim-friendly Hospitality Services standard.

Featured hotel: PNB Perdana on the Park, Kuala Lumpur

PNB Perdana on the Park Hotel and Suites in Kuala Lumpur began operation in 2000. It is the first Muslim-friendly hospitality brand in Malaysia. The hotel offers many other facilities besides accommodation such as two Halal certified restaurants, function rooms, swimming pool with segregated timings for males and females, gymnasium, squash court and tennis court.

Being labelled as a Muslim-friendly ‘Dry hotel’, PNB Perdana on the Park consider themselves as Muslim-friendly in all aspects including their offered products and services, operations and management. Being a Dry hotel, alcohol is not served on the hotel premises and all food and beverage eateries are Halal certified by the Department of Islamic Development Malaysia (JAKIM). Every room is equipped with the Qibla direction, a prayer mat, and a handheld sprayer/shower in the washrooms.

PNB Perdana on the Park encompasses Muslim-friendly as a management style. Any management meeting is initiated with the recitation of a *Dua* (Muslim prayer) as well as the recitation of Quran. This is followed by a 10 to 15 minutes period of *Tazkirah* whereby the Islamic Shariah and Quality Officer at PNB gives a talk on topics relating to Islam and the lessons to be learned. There is a prayer room dedicated to PNB staff and they are provided with prayer breaks especially on Fridays.²²⁰

- **Muslim-friendly Travel Agencies**

Tour guides and tour agencies have been quick to package Malaysia’s Muslim-friendly facilities. Lintas Travel Services Sdn Bhd is a Malaysian travel agency that provides Muslim Tour Packages. They offer a wide array of destination selections in Asia, Middle East and Europe. Lintas also provided *Umrah* and *Hajj* services customized to accommodate the unique preferences of individuals or larger teams travelling for the pilgrimage.

Innovative portals such as Tripfez have begun operation to project Muslim-friendly accommodation and tours—both within Malaysia and outside—to the rest of the global Muslim-

²²⁰ Interview with Zaid Jamaluddin, March 2016.



friendly Tourism market. Such products and services have helped elevate Malaysia's status as a Muslim-friendly destination.

- **Muslim-friendly Restaurants**

Most of the fast food chains in Malaysia are Halal certified by the Department of Islamic Development Malaysia (JAKIM). Hotels that hold government functions are also required to have their kitchen certified Halal by JAKIM. There is a mixture of how restaurants declare they are Halal and the government is trying to regulate this now. Some may just have a sign saying they are 'Pork Free' which is an issue that is being addressed.

- **Muslim-friendly Activities**

- **Medical Tourism**

KPJ Healthcare Berhad is Malaysia's leading private healthcare service provider offering almost all forms of preventive treatments from multiple disciplinary medicines to surgeries. KPJ hospitals are Muslim-friendly providing Muslims with services such as *Azan* calling, Muslim prayer room facilities, *jenazah* preparations, provision of *tayammum* clay, *Yasin* recital by an Ustaz upon request and the serving of Halal food. KPJ also provides other Muslim-friendly services such as the provision of female doctors for female patients.²²¹

- **Islamic Arts Museum Malaysia (IAMM)**

Beginning its operation in 1998, The Islamic Arts Museum Malaysia (IAMM) is a non-profit organization managed by the Albukhary Foundation. Their aim is to create a collection that is truly representative of the Islamic world and their main mission is to be the custodian, preserver and educator of Islamic art.

IAMM houses many facilities such as twelve galleries as permanent galleries on Islamic arts, two special galleries on temporary thematic exhibitions, one open space gallery for photography exhibitions, a museum restaurant that offers Middle Eastern cuisine, a museum souvenir shop, and an education center that provides workshops, talks, crafts etc. for the public. The museum puts an emphasis on works not only from Persia and the Middle East, but also from Asia, India, China and the Malay World which are showcased in an exceptional category. Other parts of the collection are displayed according to type rather than geographical origins in the museum's 12 galleries.

The museum helps expose locals as well as visiting tourists to Islamic arts and provides them with basic knowledge of Islam and its influenced arts and cultures. Depending on the season, 70 to 80 percent of their visitors are foreigners. The number tips favorably towards local Malaysians especially during local Malaysian school holidays.

- **Muslim-friendly Airline**

Rayani Air, an airline in Malaysia that claimed to be fully Shariah compliant, served strictly Halal meals with no alcohol served on board, had female flight attendants wearing hijabs, and Islamic prayers recited before each flight, had its operations suspended less than four months after commencing.

²²¹ Interview with Rafeah Ariffin, March 2016.

With its claims of having set up Malaysia's first fully Shariah-compliant private sector airline, Rayani Air found a welcome reception within Malaysia but soon after found customers complaining over delayed time schedules and poor operational capability.

One of the causes of failure discussed was Rayani Air's prioritization of marketing above commercial planning²²². Other causes include Rayani's poor financial and operational planning. Keeping costs low, the company had purchased old airline carriers and suffered cash flow difficulties with their pilots going on strike allegedly due to Rayani's non-payment of salaries.

5. Promotion

The role of promoting and marketing Malaysia as a tourist destination falls under the responsibility of Tourism Malaysia. The promotion and marketing of MFT specifically, forms a part of the overall effort made by Tourism Malaysia to promote Malaysia in its entirety as a tourist destination. There is no specific body within Malaysia undertaking the sole task of marketing Malaysia as an MFT destination.

Tourism Malaysia has established several offices worldwide that are primarily used for the promotion and marketing of Malaysia as a leisure holiday destination and to understand the needs of the respective market, its sensitivities, as well as its demographic profile. These tourism offices do not directly promote Malaysia as a Muslim tourism destination. However, seeing that Tourism Malaysia has established offices in the Middle East and in Central Asia shows that there is a priority being given to the Muslim market.

The role of spreading awareness of MFT on the tourism supply side is predominantly undertaken by ITC through seminars, courses, road shows and research collaborations with institutes of higher learning within Malaysia.

Capacity building initiatives under ITC include:

- *Regional Seminar on Islamic Tourism (ReSIT)*. ReSIT acts as a platform to share, discuss, coordinate, plan and develop suitable Islamic tour packages and tourism trails that showcase Malaysia's Islamic tourism products to local and international visitors.
- *Mosque Trails in Malaysia* can be seen as an outcome of such a platform. Following the 2010 *Fatwa* allowing for non-Muslims to enter praying areas within mosques in Malaysia, JAKIM printed a booklet titled "Guidelines On Mosque Tourism" which serves as a guideline in order to standardize the management of mosque tourism among the different stakeholders involved in Malaysia.
- *Islamic Tourism Masterclass – Muslim-friendly Hospitality Services Standard*. This capacity building program jointly organized with the Department of Standards Malaysia aims to promote and guide the tourism industry players with the practicality and adoptability aspects of the MS2610:2015 Muslim-friendly Hospitality Services – Requirements standard.

²²² Rivers, Martin. "How It All Went Wrong For Malaysia's 'Halal' Airline." *Malaysian Digest*. N.p., 16 Apr. 2016. Web. 27 Apr. 2016.

- *Seminar Halal Industri Pelancongan (SHIP)*. Many hoteliers, tour operators and tour guides lack the understanding of Halal and the advantage that Malaysia provides as a country with a regulatory Halal certification framework in place. ITC in collaboration with the Halal Hub Division under the Department of Islamic Development Malaysia (JAKIM) have outlined this short program that aims to spread the fundamental knowledge with regard to Halal and its intricacies to the MFT industry players.

International Islamic University Malaysia - Niche Research Grant Scheme (NRGS) awarded by the Ministry of Education

The International Islamic University of Malaysia (IIUM) recognizes MFT as an integral part of the overall Malaysian Halal industry, a National Key Economic Area (NKEA) of the Economic Transformation Plan (ETP), and as an important factor in terms of its impact on the national GDP. IIUM has approached the Ministry of Education by submitting a proposal for developing the infrastructure for Muslim-friendly Hospitality services in Malaysia.

Under the Niche Research Grant Scheme (NRGS), IIUM has been awarded a grant to develop a legal and administrative framework for Muslim-friendly Hospitality Services in Malaysia. This project has been awarded for five years (2012 to October 2018) resulting in a Technical Report and White Paper presentation to the government of Malaysia. This project is planned to be accomplished in three phases and has been divided into four project groups.²²³

Government Policies Supporting MFT

The Malaysian government is taking steps to develop a regulatory framework similar to the Halal certification industry for travel. The following are some of the government policy initiatives undertaken to enhance the MFT industry within Malaysia.

- Setting up of the Islamic Tourism Centre (ITC) to assist the Ministry of Tourism and Culture. Malaysia's undertaking of strategic tourism research and market intelligence as well as providing training and capacity-building services in relation to Islamic tourism is an indication of the Malaysian government's commitment and priority given to Islamic tourism in the country.
- ITC developed and published a blueprint in 2012 titled the "Strategic Plan for Islamic Tourism Development". This blueprint outlines the way forward for Islamic tourism within Malaysia and undertakes the role of a guide by highlighting the critical factors and criteria for the implementation of MFT within Malaysia.
- ITC participates in many international and local travel and trade events in order to help promote Malaysia as a global Halal hub and a desired MFT destination. They participate as either a main organizer, co-organizer, main supporter or exhibitor. ITC helps the local MFT industry players ride on these platforms to help promote Malaysian MFT products and services.

Other government policies

- Under the Ministry of Tourism and Culture, a Tourism Development Infrastructure Fund has been developed to support the development of the tourism industry by

²²³ Interview with Dr. Noriah Ramli, March 2016.

offering mortgage assistance. The purpose of this fund is to assist tourism entrepreneurs who wish to develop or expend projects that contribute to the development of tourism industry.

- The Malaysian Investment Development Authority (MIDA) under MITI is in charge of the promotion and coordination of industrial development in the country. MIDA is the first point of contact for investors who intend to set up projects in manufacturing and services sector in Malaysia. Tourism and Travel related services have been identified as an area where Malaysia has a strong foundation for growth. Hence under MIDA, incentives are provided to investors, local and foreign, that want to invest in Malaysia especially in the tourism industry in general.

Government Policies supporting SMEs in MFT

MFT is a relatively new industry. Currently there are no government incentives provided to SMEs working within the MFT sector specifically. The government linked Halal Industry Development Corporation (HDC) which falls under MITI has a general function “to coordinate the overall development of the Halal industry in Malaysia”. Part of their function is also to focus on SMEs within the Halal industry in Malaysia specifically looking at formulating broad SME policies across Malaysia, disseminating information on government incentives towards SMEs in the Halal industry, as well as providing business support and increasing the competitiveness of SMEs within the Halal industry in Malaysia.

Government Strategies to Spread MFT Awareness

ITC’s division of Research and Training is responsible for market research to assist with the formulation of tourism policies for the government, as well as capacity building initiatives (seminars, workshops and training courses) for industry players. This division also engages with Post Graduate students of higher learning including PhD students to conduct research papers relating to Islamic tourism that can then be shared among the MFT stakeholders within Malaysia.

6. Distribution

For PNB Perdana on the Park, word of mouth remains as one of the top influencers for customers. Once customers are aware bookings may happen directly through their website.

IAMM sells tickets directly via their information counter at the museum itself.

Both PNB Perdana on the Park and the Islamic Arts Museum Malaysia maintain close relationships with local as well as international Tour Agencies in order to secure customers.

7. Promotion

Social Media

The period from January 2015 to January 2016 saw an annual growth of 14 percent in the number of active social media users in the Asia Pacific region²²⁴.

²²⁴ Chaffey, Dave. "Global Social Media Research Summary 2016." *Smart Insights*. N.p., 21 Apr. 2016. Web. 27 Apr. 2016.

With Social Media there are no boundaries thus enabling a message to travel faster and to a more diverse range of audiences compared to traditional media²²⁵. Moreover, communication with customers can be done directly on a one to one basis, rather than through middlemen.

PNB Perdana on the Park has a social media presence on both Facebook and Twitter. Both platforms have been linked whereby:

- Room promotions are marketed
- Tourist attraction in Malaysia are highlighted
- Early Ramadhan promotions are marketed

ITC makes use of their social media presence on Facebook, Twitter and Instagram to highlight upcoming events, announcements and highlighting Malaysia as a tourist destination.

Given the relative affordability of Social Media marketing, it enables MFT players with budget constraints to market their products as well. The Islamic Arts Museum Malaysia (IAMM) which is a non-profit organization under the Albukhary foundation turned heavily towards Social Media for their marketing efforts because being a non-profit they do not necessarily have the funds to cater for other expensive alternatives. IAMM have a presence on Facebook, Twitter, Instagram and TripAdvisor. On the last they have been reviewed by more than 2000 reviewers and are numbered second in the 221 things to do in Kuala Lumpur.

IAMM's Facebook, Twitter and Instagram pages engage users by making use of User Generated Content (UGC) through shares, retweets and reposts. All three accounts are linked.

KPJ Healthcare, aside from having their Social Media pages in Malaysia, also have dedicated Social Media pages for their respective target markets e.g. their MENA Facebook page is called KPJ Malaysian Healthcare Dubai.

Website

ITC recently revamped their website to be more user friendly and carry more information on Malaysia as a MFT destination. It links to local websites that cater to the MFT market.

Through IAMM's website, guests are able to access and subscribe to their newsletter that is posted every three months. The newsletter carries among other information their calendar of events, new acquisitions to the museum, selections from the museum shop, educational activities and other news and events relating to the museum.

Mobile Apps

ITC encourages the formation of the production of mobile apps for items such as Halal food, Mosque tourism, prayer times, etc.

One such mobile app is the Penang Historical Mosques App, which provides a brief history on over 40 mosques in Penang.

²²⁵ Interview with Zaid Jamaluddin, March 2016.

Other apps include Halal Square and Halal Inside launched by JAKIM. Halal Square helps users locate and rate Halal certified premises within Malaysia while Halal Inside is a community forum that helps users obtain updated status on Halal food products within Malaysia.

Print

ITC produce several print publications and brochures in Arabic, Mandarin and other target market languages that are then disseminated at travel events to directly or indirectly promote Malaysia.

Examples of these print materials are:

- Guide to Islamic Festivals in Malaysia
- Facts and figures on the Malaysia's Islamic Tourism industry
- Muslim-friendly Malaysia leaflet highlighting Malaysia's strengths as a Muslim-friendly destination

IAMM, being a non-profit organization, rely on their media friends to promote and advertise their upcoming events or attractions. They also print leaflets for their upcoming events that are trilingual in English, Bahasa Malay and Arabic. For example, for the upcoming Dala'il Al-Khayrat exhibition, leaflets were printed.

Even though PNB Perdana on the Park utilize social media, Mr. Jamaludin maintains they would not discount using print publications therefore advertising via travel publications and magazines specifically in the Middle East.

KPJ Healthcare promote to their target market of Africa via advertising in the Selamta Inflight magazine.

In conjunction with Malaysia's Year of Festivals 2015, a promotional video was produced under ITC highlighting Malaysia's Muslim-friendly aspects. Focus was on Malaysia as a multicultural society, its unique Islamic architectural designs, the variety of Halal food offered, Muslim-friendly hotels, Muslim-friendly facilities in public locations (e.g. Muslim prayer rooms, Islamic banks, and retail stores), Malaysia's natural beauty and the Islamic/Halal themed events held in Malaysia.

Government

By participating in international travel fairs and exhibitions such as the Arab Travel Mart, ITC provide a platform for MFT industry players such as PNB Perdana on the Park to market their products on a global platform.

Through its overseas offices in the Middle East and in Central Asia, Tourism Malaysia is able to understand the needs of the market, its sensitivities, including religious preferences, and demographic profile in order to promote Malaysia there.

B2B Collaboration

IAMM began collaborating with a bus service in Kuala Lumpur termed as Hop On Hop Off where passengers on the bus service receive a special tour and workshop when they come to the museum.

By maintaining a good relationship with local tour operators, IAMM is able to secure group visits through group discounts. IAMM work with tour guides in providing them training with regard to the museum facilities²²⁶. Some tourist groups speak languages other than the commonly spoken English, Bahasa Malay and Arabic. For these reasons, the training helps tour guides in conveying the facilities of the museum to various tourist groups, as well as bringing traffic into the museum.

KPJ Healthcare promote their products and services to their target market of Africa via a close working relationship with local clinics and doctors in Somalia, Ethiopia and Kenya.

Others

PNB Perdana on the Park look at other distribution channels such as sales calls, visiting neighboring countries, participating in travel fairs both local and international²²⁷.

They also visit events such as the Malaysian International Halal Showcase (MIHAS). Even though the event focuses on manufactured goods and services, it also provides a good learning exercise on how PNB Perdana on the Park can enhance their product offerings.

8. Pricing

There is no difference between the pricing of conventional travel and MFT.

In the case of PNB Perdana on the Park, the hotel prices its rooms according to tactical tourist seasons such as the Arab Season which takes place during the three month summer break in the Middle East. During this time Arab families travel to Malaysia in numbers between five to ten persons and are interested in visiting family-friendly attractions such as shopping malls and theme parks.

PNB Perdana on the Park highlights that prices are competitive, especially with the current economic situation in Malaysia. They do a lot of research on how other hotels, both MFT and conventional market themselves as well as on their pricing to ensure they stay competitive.

Even though PNB Perdana on the Park's products are priced higher than the competition, they provide value-added services e.g. room upgrades and suites that help them stand out from the competition.

Non-Muslims travelers utilizing such MFT services are aware of the services provided beforehand and in the case of hotels, some prefer to stay at Muslim-friendly hotels due to their comfort and family-friendly environment.

9. Challenges

- MFT is a booming market not just within Muslim majority markets but other markets as well. Zaid Jamaludin²²⁸ mentions that there has been an interest from Japan, South Korea, Sri Lanka and even Balkan countries like Croatia in terms of stepping up their offerings for MFT as well as contacting PNB Perdana on the Park to emulate their model. As such, one of the challenges faced by current MFT businesses is the rise in

²²⁶ Interview with Abdul Wahid Ibat, March 2016.

²²⁷ Interview with Zaid Jamaluddin, March 2016.

²²⁸ Interview with Zaid Jamaluddin, March 2016.

competition from other countries. The differentiating factor between the numerous competing businesses would be the experience the establishment provides to its customers as well any value-added services provided.

- Due to Islamophobia, MFT businesses while branding their products and services will have to be extra careful with their choice of messaging. As an example, PNB Perdana on the Park, while marketing its products and services overseas makes use of messaging terms such as Muslim-friendly or Dry Hotel as opposed to Shariah Compliance as they understand the sensitivity of the messaging.
- Most hotels find it difficult to implement facilities such as separate swimming pools for financial reasons²²⁹. Limited marketing funds also pose a problem whereby Muslim-friendly establishments are restricted from running a full marketing campaign.
- There is low awareness of MFT on the supply side. In order to overcome this challenge, ITC has been conducting workshops and seminars on the MFT supply side.

10. Lessons Learned

- Taking the example of Rayani Air, it is not enough for companies to claim being Shariah compliant and focus on the marketing of this aspect. Muslim-friendly businesses need also be both operationally and financially sound.
- The service quality for MFT businesses must never be compromised. Businesses will be able to price their products at a higher range than competition if they provide quality service. Some tourists look for convenience rather than affordability.
- When it comes to MFT, traveling families, especially those coming in during the Arab Season, have different traveling requirements than honeymooners or even business travelers. Honeymooners look for privacy and sightseeing locations whilst families are more interested in shopping destinations and attractions such as theme parks.
- A hotel, even though termed as Muslim-friendly, is still able to cater to conventional traveler needs. Both are not mutually exclusive. Muslim-friendly hotels are appealing to non-Muslims as well due to their comfort and family-friendly nature.

²²⁹ Interview with Zulkifly Said, March 2016.

4.6 Spain

1. Type/Focus area for case study

Field case study/Marketing and MFT.

2. Reasoning behind focus area choice

Spain, and especially the south of Spain, Andalucía, is making great efforts to attract Muslim travelers. Given the lack of national government policies and strategies that identify MFT as a key market for the tourism industry, this effort is driven by SME's, and, in some cases, in partnerships with local authorities. The lack of national strategies and help to promote Spain as a Muslim-friendly destination is forcing these SME's to be very creative in their business models and in the way they overcome challenges, working out problems from the simple to the complex and working with what is available for them.

3. Background

Table 8: Spain – Tourism Figures

	2014	2015	2016	2017	2018	2019	2020	CAGR
Total Inbound Tourist Arrivals (Mil)	65	66.43	67.89	69.39	70.91	72.47	74.07	2.20%
Total Inbound Expenditure (\$ Bil)	65.2	66.63	68.10	69.60	71.13	72.69	74.29	2.20%
Total Outbound Expenditure (\$ Bil)	17.97	19.65	21.50	23.51	25.71	28.12	30.76	9.37%
Muslim Tourist Arrivals (Mil)	1.46	1.49	1.52	1.56	1.59	1.63	1.66	2.20%

Source: UNWTO; DinarStandard synthesis and analysis; Government Statistics.

Spain's Muslim tourist arrivals have been estimated to grow the slowest among case study countries analyzed by 2.2 percent CAGR from 1.5 million arrivals in 2015 to 1.7 million arrivals in 2020. The CAGR mirrors total inbound tourist arrivals and total inbound expenditure, which is estimated to grow from 66.4 million arrivals spending \$66.6 billion in 2015 to nearly 74 million arrivals spending \$74 billion in 2020.

Despite a relative success, the number of Muslim travelers, although increasing, is relatively small, only 2.8 million out of more than 68 million tourists that arrived to Spain in 2014 were Muslims, i.e. they came from a Muslim majority country.²³⁰ Spain has also descended from the 9th position in the MGTI in 2015 to the 11th in the MGTI 2016 as a non-OIC MFT destination.²³¹

²³⁰ Europapress. "España Recibió 2,6 Millones De Turistas Musulmanes En 2014." 15 Mar. 2015. Web. 9 Apr. 2016.

²³¹ CrescentRating. "Global Muslim Travel Index." Web. 09 Apr. 2106.

Spain has many of the ingredients necessary to be situated at the top of the non-OIC preferred Muslim-friendly destinations, but it requires the will of the national tourism institutions and a push on the MFT infrastructure to get there.

International Halal Tourism, a platform founded by the Instituto Halal and Innova TaxFree, provides Muslim tourists with information about the supply of Halal tourism in Spain and Latin-America. They also help the Spanish and Latin-American tourism agents (companies, institutions, etc.) to have the required knowledge and the means in order to take advantage of the business opportunities that Halal tourism offers and carry out commercial activities with the aim of promoting Halal tourism inside and outside of Spain.²³²

Most stakeholders are of private nature, or, as it happens with the Seville Mosque Foundation and the Granada Mosque Foundation, a by-product of their main goals.

The Granada Mosque Foundation has been to receiving Muslim travelers from all over the world and assists them during their stay²³³. Also, through the extensive travel taken in order to seek support for the Granada Mosque Foundation, they have visited many Muslim majority countries and constantly invite people to visit Spain. The Mosque itself has contributed to a better understanding of the general public about the Muslims of Granada and Spain, which is of value for Muslim travelers.²³⁴

MFT services in Spain are mainly spread across three sectors: food, hotels and tour operators/local guides. Many of the interviewees have agreed these are the main three things that differentiate MFT services from conventional ones.

Government policies supporting MFT

There are no government policies supporting the development and marketing of MFT in Spain²³⁵. Although the institutions in charge of promoting Spain as a tourism destination have shown some goodwill towards MFT the market is quite new to Spain and the relevant institutions are still adapting to it.²³⁶

The development of a Halal infrastructure and facilities, such as mosques, is well within the legal system, as cooperation agreements were signed by the Comisión Islámica en España, an entity representing many Islamic associations and communities of Spain, and the Spanish government, in 1992. However, the implementation of this agreement has been left, in most cases, to private initiatives.²³⁷

Although there are no policies at a national level, but there have been some efforts within local councils. The Instituto Halal is developing a 'Halal Cluster' in Cordoba. The cluster will give businesses the option to get financial help, mentoring, help with marketing and foreign commerce, etc. This cluster will help with the exchange of products and merchandise, but also with tourism. It will create a platform with a judicial recognition that will also help the

²³² Tomas Guerrero, Interview, Madrid, 2016

²³³ Bashir Castiñeira, Interview, Granada, 2016

²³⁴ De La Corte, Manuel. "Símbolo De Convivencia." Símbolo De Convivencia. GranadaHoy, 30 Dec. 2008. Web. 09 Apr. 2016.

²³⁵ Mariam Isabel Romero, Interview, Cordoba, 2016

²³⁶ Interview with Tomas Guerrero, Interview, Madrid, 2016

²³⁷ Ibrahim Hernandez, Interview, Sevilla, 2016

businesses appeal to the national government for support. It is expected that the cluster will be launched by summer (2016).²³⁸

The city council of Cordoba, in partnership with Instituto Halal has launched a program to become a 'Halal city'. A Halal city is an ecosystem that allows Muslims to go about all aspects of their lives within an Islamic context. Although they are working towards this, it has a long way to being completed.²³⁹

The City Council of Granada supported the organization of the 1st Halal International Tourism Conference in 2014 in Granada, but this did not have many repercussions on their tourism goals and other than that it has had little involvement with the sector.²⁴⁰

Other than the Halal cluster that Instituto Halal and the Cordoba council are developing, everything else are private initiatives driven by SME's. When the cluster is launched this can change with a development of initiatives and institutions that can be a mix of private and public enterprises. The development, distribution and marketing will be done by the private businesses that created the products.

The development and marketing of every product related to MFT that happens in Spain happens because the SME's push for it.²⁴¹

4. MFT products and services

- **Muslim-friendly Travel Agencies**

One of the advantages for the Muslim traveler to travel with a Halal or Muslim tour operator is that they have knowledge of how to cater for their needs.²⁴²

Nur and Duha is the only Halal certified tour operator. It is also accredited by CrescentRating and this works as a greatly valued guarantee when working with foreign Muslim countries²⁴³. There are also several others, such as Andalucian Routes, Visit Al Andalus or Ibn Battuta tours, whose owners are Muslims that know the needs of the Muslim traveler and how to cater for them in the best way.

Tourespaña is the national agency in charge of promoting Spain as a Tourism destination. They have collaborated with Nur and Duha Halal with workshops and organized actions in Muslim majority markets (specifically in Malaysia, Indonesia and Singapore).²⁴⁴

- **Muslim-friendly Hotels**

Probably the most striking success story is that of the Alana hotel. The Alana hotel is in Marbella and was bought by the Saudi group Fawaz Al Hokair in 2013, and since then has become the only Halal certified hotel, in Spain²⁴⁵. After being certified the demand

²³⁸ Mariam Isabel Romero, Interview, Cordoba, 2016

²³⁹ Ibid

²⁴⁰ Tariq Mahmood, Interview, Granada, 2016

²⁴¹ Mariam Isabel Romero, Interview, Cordoba, 2016

²⁴² Bashir Castiñeira, Interview, Granada, 2016

²⁴³ Flora Sáez, Interview, Madrid, 2016

²⁴⁴ Ibid.

²⁴⁵ Angeles Vargas. "Alana Hotel Marbella, Primer Hotel Certificado Halal De España." Hosteltur. www.hosteltur.com, 13 Mar. 2015. Web. 09 Apr. 2016.

significantly increased. However, probably the biggest surprise for the managers and owners was that a great part of that demand came from non-Muslim Spanish families that were looking for a safer environment away from alcohol to spend their holidays.²⁴⁶

- **Muslim-friendly Restaurants**

- There are many Halal takeaway options that can be found in almost any city across Spain, but these are mainly composed of fast food and kebabs. A resilient initiative is that of Nur Restaurant, in Cordoba, which offers high quality dining inspired by traditional Andalusian cuisine including Halal options on their menu. The restaurant is managed by Paco Morales, a Michelin Star chef.
- Another initiative is that of Cuna45 coffee shop in Seville that offers specialty artisan coffee in a Halal modern environment. They have an edge over most other coffee shops because of the quality of their coffee; because of this they are able to attract the Muslim consumer looking for a Halal alternative without sacrificing quality and design, locals and tourists, as well as the mainstream consumer that is not bothered because they do not serve alcohol or pork.²⁴⁷
- Tourists know that Spain is not a Muslim country, and because of this they are satisfied with any sign that says that a particular establishment is Halal. Since there is low demand on the consumer side for more strict control, there is also low supply on the business side. This is not to say that those restaurants are not Halal, but that they have not been certified by a Halal certifying entity.
- The most important Halal certifying entity in Spain, at the moment, is Garantía Halal, which is managed by Instituto Halal. Becoming certified could be an advantage because it is an added value that it is otherwise lost. Many of the Muslim travelers do not spend their money in restaurants because they do not trust them, and they end up in McDonalds or with a kebab.
- Given that the economic expenditure of the Muslim traveler is above the average, they end up spending a third of what they would in food because they do not have an appropriate Halal option.²⁴⁸

5. Distribution

Instituto Halal and Innova TaxFree have developed a platform to gather all Muslim-friendly offers in Spain called Halal International Tourism. In conjunction with this they have also developed a loyalty card program that offers the Muslim traveler discounts in several establishments. The program offers the Muslim tourists visiting Spain a range of special offers and advantages in a selection of tourism establishments affiliated with Halal International Tourism. The users of this program will benefit, amongst other advantages, from a 5 to 20 percent discount on their purchases, the refund of the value-added tax if they don't belong to the European Union and a respectful treatment in their religious beliefs.

²⁴⁶ Mariam Isabel Romero, Interview, Cordoba, 2016

²⁴⁷ Abu Qasim Molinero, Interview, Seville, 2016

²⁴⁸ Mariam Isabel Romero, Interview, Cordoba, 2016

Restaurants and hotels distribute directly by the respective establishments. Reservations are usually made either by phone or on websites in the case of hotels and Al Nur restaurant. The reservation might come from any usual online platform, but for those looking into staying in a MFT accommodation most usually come through tour operators; none of the hotels, not even the Alana hotel which is strictly Halal, advertise in their website as such. Therefore, the tour operators have a big role to play in this, because they are the ones that act on behalf of their clients and that have the knowledge of where to eat Halal food or how to find MFT accommodation.²⁴⁹

The tours can be fully escorted and full board or other more flexible options, and they might or might not include flights. In the case of Ibn Battuta Tours they work in partnership with an authorized travel agency that allows them to include flight prices within their packages. The payment of the tours can be done either directly from the client to the tour operator, through their website or bank transfer via local agents that sell the tours at the countries of origin, or through the organizations that work in partnership with the tour operators.²⁵⁰ Less used forms include, Travel Warehouse which is a B to B, and HalalTrip, which is a B to B to C.²⁵¹

6. Promotion

Public government institutions have not yet taken a direct role in developing and promoting the MFT industry in Spain. Girasoling has the only official program to promote Spain in the Gulf countries, but it is not necessarily Halal or Muslim-friendly.²⁵²

Some tour operators help to promote Spain as a MFT destination so they can benefit from the increased demand. For example, Andalucian Routes, a Halal tour operator that focuses on MFT with an educational component regularly travels to give talks about the Islamic history of Spain.²⁵³

In the public/private sector, two foundations were identified that have contributed and still are, to promote Spain as MFT destination, although this is a byproduct of their main activities, namely, the Granada Mosque Foundation and the Seville Mosque Foundation.

The promotion of MFT products and services happens through referrals and word of mouth, social media and websites, attending Halal fairs and exhibitions, mailing lists, visits to countries of origin and partnerships with local travel agencies and through cooperation with Islamic organizations.

In promoting MFT products and services an important aspect is gaining the trust of the Muslim traveler. An effective way to do this is by working in partnership with organizations that are already recognized and that Muslims trust. By virtue of association, the product or service gains the trust of the potential Muslim customer and therefore is more likely to be successful.²⁵⁴

Two important elements to take into account in the promotion of MFT products and services are that Muslims do not only travel with the idea of just enjoying themselves in the places that

²⁴⁹ Tariq Mahmood, Interview, Granada, 2016

²⁵⁰ Hisham Melara, Interview, Granada, 2016/ Tariq Mahmood, Interview, Granada, 2016

²⁵¹ Flora Sáez, Interview, Madrid, 2016

²⁵² Mariam Isabel Romero, Interview, Cordoba, 2016

²⁵³ Tariq Mahmood, Interview, Granada, 2016

²⁵⁴ Ibid

they visit, but they are also looking to gain cultural, historical or Islamic knowledge that they did not have before. They feel more at ease when Halal products and services are offered by Muslims.

Maximum adaptability to the client's profile, with specific marketing material and different tours depending the area that is been targeted, is also a key element.

The interest of the national and local institutions towards MFT has been described as 'shy'²⁵⁵. Last year (2015) was the first time the Fitur, one of the most important tourism fairs in Spain, invited Instituto Halal to give a presentation about MFT in Spain. There has also been some support for Halal at congresses and fairs. This was the case with the 1st Halal Tourism Conference in Granada in 2014, and from the Madrid City Council for EXPOHALAL 2016, a Halal focused international fair, including MFT products. There was also contribution of \$145,818 by the Cordoba City Council towards the organization of the Halal International Congress in 2015 in Cordoba.²⁵⁶

The Seville Mosque Foundation is currently involved in a project that will result in the promotion of Spain as MFT destination to millions of people in Malaysia. The project itself will be one of the biggest direct marketing plans for Spain as a Muslim-friendly destination done to date.²⁵⁷ They will bring four famous women from Malaysia to take a tour through Granada, Seville, Cordoba and Algeciras that it will be filmed. Afterwards these women will upload the 2-3 minute films to their social media, once a week over six months. The aim of the project is to promote the construction of an Islamic Cultural Center in Seville, but indirectly it will result in the promotion of Spain as a MFT.

The Instituto Halal plays an important role in MFT sector in Spain by promoting and making the general public aware of the Halal concept. They also work closely with the tourism industry by certifying Halal establishments and developing products for the MFT industry, such the Al Andalus Culinary Lab, a Halal cooking workshop inspired by the Al Andalus traditional cuisine and which is conducted in collaboration with Paco Morales, a one Michelin Star Chef, or the Halal International Tourism platform and it services, developed together with Innova TaxFree Group.²⁵⁸

7. Pricing

There is a general consensus that Halal services can be slightly more expensive than mainstream ones in Spain. This is because there are not as many Halal restaurants or Muslim-friendly hotels in Spain, and that narrows down the possibilities of finding competitive prices. MFT tour operators cannot compete with the big tour operators and wholesalers.

Most business interviewed as part of this case study agree that Muslim travelers are willing to pay more for tailored services and the knowhow about Halal in Spain. Muslim travelers usually travel with family and extended family, and having access to Halal services is important for them, therefore they are willing to pay a little more to make sure they have

²⁵⁵ Hisham Melara, Interview, Granada, 2016

²⁵⁶ Alba, Alfonso. "Ayuntamiento Y Diputación Aportan 128.000 Euros Para Organizar El Foro 'Halal' | CORDÓPOLIS, El Diario Digital De Córdoba." 18 Mar. 2015. Web. 07 Apr. 2016.

²⁵⁷ Ibrahim Hernandez, Interview. Sevilla, 2016

²⁵⁸ Mariam Isabel Romero, Interview, Cordoba, 2016

access to these services. Catering for Halal services is still a challenge in Spain, and therefore the price increase is justified.

Muslim travelers are generally more price conscious than other segments. When visiting Spain Southeast Asians are more frugal because they have traveled further, which increases the cost of their flights, their exchange rates are not usually very strong, and most are middle class or retired people with limited budgets. While Middle Eastern Muslim travelers are not the ones who question prices, but their local agencies do. Western Muslim travelers are more accustomed with arranging their own trips in Europe making savings that way.

In most cases, it is not the country of origin that determines whether tourists are price sensitive, but their economic background.

8. Challenges

- The main challenges brought up during the interviews have been the lack of knowledge and information about the general tourism industry in Spain for MFT, and a lack of Halal or Muslim-friendly infrastructure, especially regarding food and accommodation, and, as a minor one, a political or ideological opposition.
- Regarding the lack of information, the main problem is a lack of vision on the side of many business owners. The demand is there, but it requires investment to fill it. If this is not done, then the demand will not increase; and this creates a vicious circle.
- Convincing Chambers of Commerce and national organizations to promote Spain as a tourism destination and take an official stand to back the MFT industry in Spain.²⁵⁹
- There is a general lack of Halal infrastructure for both, local and foreign Muslims in Spain.²⁶⁰
- MFT products and services are tailored and targeted to Muslim travelers and those involved do not feel the need to develop products that are compatible with Muslims and non-Muslims.
- Currently specializing in MFT is more important than catering for both MFT and conventional travel, because the latter has a much wider scope. Nevertheless, the general consensus amongst service providers is that there should not be a problem with non-Muslims joining products and services tailored for Muslims, so long they are conscious about it.
- The general rising of Islamophobia sentiments in the West is also a growing challenge.²⁶¹ Although not for business owners, which when they are shown the potential economic benefit put them aside.²⁶²

²⁵⁹ Mariam Isabel Romero, Interview, Cordoba, 2016

²⁶⁰ Ibrahim Hernandez, Interview, Sevilla, 2016

²⁶¹ Ibid

²⁶² Mariam Isabel Romero, Interview, Cordoba, 2016

- Finally, facilitating the visa process for many Muslim majority countries and an official stand by the national institutions in charge of developing and promoting tourism in Spain would also help to develop this market.
- SME's do not advertise their services as MFT like in the case of Al Nur Restaurant and Alana Hotel.

9. Lessons learned

- The MFT industry in Spain is still in its infancy but has a great potential. At the moment it is mainly driven by SME's that are leading the efforts to develop a MFT infrastructure, create awareness in the national tourism institutions, the general tourism industry in Spain, and working towards the promotion of Spain as a MFT destination in the countries of origin.
- There are some great examples that can be applied to other markets. In terms of awareness of the industry in Spain the Instituto Halal is the driving force, they are developing the mechanisms to create a full MFT ecosystem in Spain. The project 'Cordoba Halal' is a good example of this; according to Mariam Isabel Romero, Instituto Halal's General Director, they were the first to coin the term 'Halal city' and to begin its development with Cordoba. Since then other places have started using it, such as California or in Buenos Aires.
- Their initiatives to work with the Chambers of Commerce in different cities in Spain, such as they are doing with Seville's Chamber of Commerce, is a good example of how to work with local authorities when the national ones do not seem to show an interest.
- The efforts of some tour operators to attract more visitors are also productive. Tariq Mahmood, from Andalucian Routes, has recognized that one of the main incentives of Muslims to visit Spain is its Islamic cultural and historical heritage. Given the relative lack of promotion of this aspect by the national tourism institutions, he often travels to give talks about the Islamic history and culture of Spain all over the world.
- The Seville Mosque Foundation is working on a project to create awareness about the need of an Islamic Cultural Centre and Mosque in Seville. This project involves the promotion of Spain as a MFT destination through direct marketing to millions of followers of the social media celebrities involved in the project. This is a great example of how to create a win-win situation: the social media celebrities increase their following by offering unique and interesting content whilst at the same time the Seville Mosque Foundation promotes its objectives.
- All of this has resulted in an exponential increase in the number of Muslims that visit Spain each year, but the potential is still not being fully exploited. For this to happen two things should occur: first, the Spanish government tourism organizations should recognize the MFT market as a key market and put in place policies, guidelines and institutional help for its development; second, a higher private investment is required to develop the MFT infrastructure necessary to host more Muslim travelers.



- Offering a high quality product or service is also a way to cater for both. Muslims would consume it because it complies with their requirements and non-Muslims because they cannot find the same service or product elsewhere.
- Despite this, the number of clients that look for these types of services is growing. Currently, the term 'Halal' does not only have a religious meaning, it is now a synonym for standards of quality, health and sustainability. That is why there are more non-Muslim tourists looking for this type of experiences.

4.7 Thailand

1. Type/focus area for case study

Desk case study/Marketing MFT Products and Services

2. Reasoning behind focus area choice

Thailand is among the top 10 global tourism receipts²⁶³. It ranked fourth in the *State of the Global Islamic Economy 2015/16* report's Halal Travel Indicator which rated countries based on the health of the Muslim-friendly travel ecosystem of the country. According to UNWTO, Thailand ranked 9th in terms of tourism receipts. In 2014 tourism receipts were \$38.4 billion and there were 24.8 million arrivals.²⁶⁴

5% of the population of Thailand is Muslim²⁶⁵ with a higher percentage of Muslims in the South of Thailand in provinces such as Phuket and Krabi. There are a total of 3,405 mosques located in 61 of its 76 provinces.²⁶⁶

This case study has a marketing focus as the government is actively promoting Thailand as a Muslim-friendly destination.

The Tourism Authority of Thailand also launched a Discover Thainess campaign, focusing on attracting Middle Eastern travelers, and organized FAM trips for travel agents from Islamic countries. Also, last year Thailand launched a Muslim-friendly tourist app.

3. Background

Table 9: Thailand – Tourism Figures

	2014	2015	2016	2017	2018	2019	2020	CAGR
Total Inbound Tourist Arrivals (Mil)	24.8	27.21	29.84	32.74	35.92	39.40	43.22	9.70%
Total Inbound Expenditure (\$ Bil)	38.4	42.12	46.21	50.69	55.61	61.00	66.92	9.70%
Total Outbound Expenditure (\$ Bil)	8.54	8.94	9.49	10.01	10.58	11.15	11.74	6.58%
Muslim Tourist Arrivals (Mil)	2.37	2.60	2.85	3.13	3.43	3.76	4.13	9.70%

Source: UNWTO; DinarStandard synthesis and analysis; Government Statistics.

Thailand's Muslim tourist arrivals have been estimated to grow by 9.7 percent CAGR from 2.6 million arrivals in 2015 to 4.1 million arrivals in 2020. The CAGR mirrors total inbound tourist arrivals and total inbound expenditure, which is estimated to grow from 27.2 million

²⁶³ "UNWTO Tourism Highlights: 2015 edition." UNWTO. 18 Jun. 2015. Web.

²⁶⁴ Ibid.

²⁶⁵ "The World Factbook". CIA. Web.

²⁶⁶ "The Contribution of Islamic Culture and its Impact on the Asian Tourism Market" UNWTO. In: Regional Seminar on the Contribution of Islamic Culture and its Impact on the Asian Tourism Market (16-17 November 2015), Brunei Darussalam.

arrivals spending \$42 billion in 2015 to 43.2 million arrivals spending nearly \$67 billion in 2020.

4. MFT Products and Services

Thailand has many Muslim-friendly services in place. The country has 3,600 mosques and many of the malls have prayer spaces for Muslims. There are many Halal restaurants that are listed in their Muslim-friendly app and guidebook for Muslim tourists.

- **Muslim-friendly hotels**

Muslim-friendly hotels in Thailand offer Halal food options, prayer rooms and Qibla direction, among other services. A new player, Al Meroz Hotel in Bangkok claims to be the first Halal certified hotel. The hotel is certified as a Muslim-friendly hospitality provider by the UAE's Gulf Halal Center. It provides Halal food, prayer rooms, a women-only floor and a swimming pool that offers different timings for men and women. The hotel, which soft opened early 2016, officially launched in July 2016. Additional Muslim-friendly hotels include the Grand Sukhumvit Hotel in Bangkok. The hotel provides Halal certified food, as well as prayer rugs, the qibla direction and prayer timetable in the rooms of Muslim guests. Another example is the Nouvo City Hotel which includes a Halal restaurant inside the hotel and does not serve alcohol. The rooms include water-friendly washrooms and provide the qibla direction.

- **Muslim-friendly spas**

Thailand has many gender-segregated Halal spas, with separate rooms for men and women. These spas offer separate rooms for men and women, with male masseurs attending to the former and female masseuses attending to the latter. They also use organic products.

- **Muslim-friendly Beach resorts**

Thailand has several beach resorts that are Muslim-friendly. Among those resorts are Six Senses Resorts, Banyan Tree Resorts, Ao Nang Princeville Resort, Ao Nang Orchid, and Diamond Cave Resort and Spa, among others.

- **Muslim-friendly medical facilities**

Thailand is popular with GCC visitors for its medical services. The Bangkok Hospital launched an Arabic Medical Services wing in 2006. They provide Arabic speaking staff in addition to Halal food and prayer facilities.

- **Muslim-friendly airports**

Several airports in Thailand provide prayer rooms and Halal restaurants. These include Bangkok's Suvarnabhumi Airport, Chiang Mai International Airport, Phuket International Airport, and others.

5. Promotion

The Tourism Authority of Thailand (TAT) is part of the Ministry of Tourism and is the government-level body responsible for promoting Thailand as a Muslim-friendly destination.

The Tourism Council of Thailand is private and serves the link between tourism businesses and the Ministry.

The Strategy to position Thailand as a Muslim-friendly destination was announced at the Thailand Travel Mart Plus in June, 2015.²⁶⁷ Since then, the government has taken several promotional initiatives which are outlined below.

- **Muslim-friendly Tourism App**

In 2015, TAT launched a Muslim-friendly tourist app to attract Muslim visitors. The app helps visitors find mosques, Halal restaurants, hotels, shopping centers with prayer rooms and cultural significant sites. The app is initially in English and Thai but will be expanded to include Arabic and Bahasa Indonesia.

The App was launched in June, 2015 at a forum organized by TAT at its annual travel trade show, the Thailand Travel Mart Plus. TAT invited 113 representatives from travel agencies and media from Iran, Egypt, Kuwait, Tunisia, Indonesia, Malaysia, Brunei, Oman, the UAE, Turkey, India and Singapore to participate in the forum.²⁶⁸ The launch of the app garnered widespread media coverage.

The Thailand Muslim-friendly destination app was developed with the support of the Halal Science Centre of Chulalongkorn University, the Foundation of the Islamic Centre of Thailand, Halal Standards Institute of Thailand and the Tourism Council of Thailand.

- **Unified Thailand Diamond Halal Brand**

In a bid to consolidate its marketing efforts towards Muslims, Thailand launched a unified Halal brand “Thailand Diamond Halal” under which all Halal products and services sourced in Thailand will be marketed, including tourism. The brand was developed by the Halal Science Centre of Bangkok’s Chulalongkorn University, the Central Islamic Council of Thailand and Halal Standard Institute of Thailand. The developers of this brand are hoping that it will be adopted by hotels equipped with Muslim-friendly facilities, by tour operators offering Islamic heritage tours as well as Muslim-friendly travel packages.

- **Muslim-friendly Destination Mega FAM (familiarization) Trip**

In a media briefing on the occasion of Thailand’s Travel Mart Plus 2015, Juthaporn Rerngronasa, Acting Governor, Tourism Authority of Thailand said that it was organizing a Muslim-friendly Destination Mega FAM (familiarization) Trip by inviting about 100 travel agents and media from Islamic countries to the Thailand Travel Mart. They will participate in special forums, travel trade meet session, product presentations and familiarization trips to places of interest to Islamic visitors.²⁶⁹ In January 2016, the Tourism Authority of Thailand’s Dubai Office hosted a familiarization trip for 30 travel agents and social media influencers from Tehran.

²⁶⁷ Muqbil, Imtiaz. “Thailand’s Muslim-friendly destination strategy goes well beyond just journalism.” Web. 17 June 2015.

²⁶⁸ “TAT to launch app for Muslim visitors.” 5 June 2015. Web.

²⁶⁹ “Positive tourism outlook dominates opening of Thailand Travel Mart Plus 2015.” 4 June 2015. Web.

- **Guidebooks and brochures such as “Halal Check-in Thailand”**

TAT produced a number of guidebooks and brochures tailored to Muslim tourists. Halal Check-in Thailand is one of those guidebooks that contain a list of mosques, Halal certified restaurants, Muslim-friendly hotels, shopping malls and attractions that include a prayer room.

- **Discover Thainess Campaign**

TAT Dubai and Middle East Office a “Discover Thainess” campaign, specifically targeted at Middle East tourists, which includes “Thai Experience”, “Thai Way of Life” and “Thai Culture”. In 2015 the TAT Dubai and Middle East Office conducted a series of road shows in Kuwait, Qatar and Bahrain as part of its promotional strategy to focus on niche segments; such as, Health and Wellness, Green Tourism, Gastronomy Tourism, and Shopping.²⁷⁰

- **Marketing Partnership with Etihad Airways**

The Tourism Authority of Thailand (TAT) and Etihad Airways, the national airline of the United Arab Emirates, launched a marketing partnership designed to attract more visitors to Thailand. Under the new agreement, the Abu Dhabi-based airline and TAT will jointly promote travel to Thailand from priority markets including Belgium, France, Germany, Iran, Ireland, Italy, Kuwait, South Africa, Spain, Switzerland, UAE, and UK.²⁷¹

- **Krabi Halal and Muslim-friendly Business Club**

The Krabi SME business community serving Muslim tourists is collaborating to promote their services.

The Krabi Halal Muslim-friendly Club, which consists of hotels, restaurants, tour companies, is preparing to launch a website that includes joint promotions and special offers for their members. They also plan to support charity projects in Krabi.²⁷²

Also in Krabi, the local tourism fraternity works with the Tourism Authority of Thailand to hold annual travel trade shows where the invited buyers are usually from the neighboring Muslim-majority countries of Indonesia and Malaysia.²⁷³

6. Distribution

Distribution tends to be through OTAs (online travel agencies), travel agents as well as directly through supplier. Most of the new business coming into Thailand from neighboring countries, such as Indonesia, is handled by tour operators with fixed packages.²⁷⁴

For Atoning Princeville Resort and Spa, OTAs account for 60% of their sales, while travel agents account for 10%, 20% of sales are generated from the resort’s website, and 10% through word of mouth.

²⁷⁰ “Discover Thainess tourism campaign is Muslim-friendly.” 7 May 2015. Web.

²⁷¹ “TAT-Etihad airways launched marketing partnership at Expo Milano. 23 July 2015. Web..

²⁷² Nattapat Kittayapison, Interview. March, 2016.

²⁷³ Imtiaz Muqbil, Interview. April, 2016.

²⁷⁴ Ibid.

In terms of OTAs the top one used by ASEAN travelers is Agoda, while the rest of the bookings are through Hotels.com, Expedia, and Booking.com.²⁷⁵

7. Pricing

Pricing for MFT products and services is on par with mainstream pricing. For Atoning Princeville Resort and Spa competitors have been lowering their prices because of excess rooms and the resort needs to stay competitive and have therefore lowered their prices as well. It is not enough to be Halal to justify for increased pricing.

Prices are determined by market forces and are impacted by factors such as seasonality and volume rather than by Halal services offered. The Gulf market as well as visitors from high-income countries such as Brunei usually demand high quality products and services, and are willing to pay for it. At the other end, Muslim clients from Indonesia and Malaysia tend to be at the middle-lower scale. Thailand is fortunate to have products and services available to cater to all these markets.²⁷⁶

8. Challenges

- As a non-Muslim country, the government has to actively educate mainstream travel industry players on the Muslim culture and the needs of Muslim travelers.
- Many suppliers who serve this market are not certified Halal; the Central Islamic Committee of Thailand's (CICOT) list of Halal providers includes few 5 star hotels and fine dining establishments.
- Attracting Muslim tourists while at the same time appealing to non-Muslims is a challenge. For a large group of non-Muslim tourists, Thailand is seen as a party hotspot and it can be difficult to accommodate the needs of both groups of tourists. The solution is to designate some areas as Muslim-friendly, while leaving others untouched.
- Another important challenge is managing the brand image. Thailand's mainstream tourism marketing message is built entirely around its Buddhist history and traditions. To create and promote a simultaneous marketing message that also positions it as a "Muslim-friendly destination" requires a change in mindset, amongst both the public and private sectors. The Tourism Authority of Thailand certainly realizes the potential but needs to sustain it with ongoing campaigns and strategies. It is also working to tap promising source-markets such as Iran and the sizable Muslim minorities in countries such as China, South Africa and India.²⁷⁷

9. Lessons Learned

- DMOs play a leading role in actively promoting a destination. The Tourism Authority of Thailand (TAT) has taken the lead in launching promotional campaigns targeting Muslim travelers.

²⁷⁵ Nattapat Kittayapison, Interview, March, 2016.

²⁷⁶ Imtiaz Muqbil, Interview, April, 2016.

²⁷⁷ Ibid.



- By joining efforts, small businesses can take the initiative in promoting their destination to Muslim travelers, as in the case of the Krabi Halal and Muslim-friendly Club.
- PR campaigns are essential in creating a buzz around Muslim-friendly products and services. The launch of Thailand's Muslim-friendly Tourism App saw a massive PR campaign by the Tourism Authority of Thailand, including press releases and events, which resulted in global media attention.

4.8 Turkey

1. Type/focus area for case study

Field Study/Marketing MFT Products and Services

2. Reasoning behind focus area choice

As a world's top 6th tourism destination, Turkey is also the leader of Muslim-friendly beach resorts in the world, with several successful examples of resorts catering exclusively to Muslims including; Şah Inn Paradise Hotel, Adenya Hotels, and Bera Hotels.

Turkey hosted nearly 40 million foreign tourists in 2014 and more than 3.5 million of them were Muslim tourists. The country's tourism industry has 1.1 million bed capacity with 4.248 tourism establishments including 684 five-star hotels, according to Association of Turkish Travel Agencies.²⁷⁸ This almost doubles Spain's five-star hotel numbers that are 356 as placed in booking.com.

Contrary to physical capacity championship in the tourism industry, the country ranks seventh in the *State of the Global Islamic Economy 2015/16 Report's* Halal Travel Indicator. Ranking seventh indicates a gap and a market opportunity meaning Turkey needs to fulfil broader demand of Muslim tourists.

3. Background

Table 10: Turkey – Tourism Figures

	2014	2015	2016	2017	2018	2019	2020	CAGR
Total Inbound Tourist Arrivals (Mil)	39.8	41.91	44.13	46.47	48.93	51.53	54.26	5.30%
Total Inbound Expenditure (\$ Bil)	29.5	31.18	32.96	34.84	36.82	38.92	41.14	5.70%
Total Outbound Expenditure (\$ Bil)	5.47	5.59	5.94	6.34	6.77	7.22	7.70	7.08%
Muslim Tourist Arrivals (Mil)	3.87	4.09	4.32	4.57	4.83	5.11	5.40	5.70%

Source: UNWTO; DinarStandard synthesis and analysis; Government Statistics.

Turkey's Muslim tourist arrivals have been estimated to grow by 5.3 percent CAGR from 4.1 million arrivals in 2015 to 5.4 million arrivals in 2020. The CAGR mirrors total inbound tourist arrivals and total inbound expenditure, which is estimated to grow from 41.9 million arrivals spending \$31.2 billion in 2015 to 54.3 million arrivals spending \$41.1 billion in 2020.

There is no regulated government support or incentive for development and marketing of MFT products and services yet, though there are some new developments on the ground. On June 2014, Turkish Standards Institute (TSE) announced, in cooperation with SMIIC, The

²⁷⁸ "Turkish Tourism Industry Today." Association of Turkish Travel Agencies. TURSAB, 2014. Web.



Standards and Metrology Institute for the Islamic Countries, an initial checklist of criteria for Hotels to be eligible as “Halal Hotel”, especially for their kitchens. Currently, TSE’s Halal Certification Management is working on broader rules especially for the Management System side of Halal conditions, and TSE will upgrade its Halal checklist for the tourism industry. Then, TSE will start to accept new certification application requests from the tourism sector, after May 2016.”²⁷⁹

Bera Alanya Hotel was the first hotel in Turkey, obtaining the Halal Convenience Certificate for its kitchen and food from TSE. But, the Halal certification was restricted to only the kitchen not to other services.²⁸⁰

Turkey’s biggest private Halal certifier GİMDES has taken applications from some hotels to be certified as “Halal”, but the certification management rejected these hotels because of not complying with all Halal hotel criteria on the GİMDES checklist.²⁸¹ As a result, in Turkey, there is no hotel certified fully Halal, yet.

Government Policies

The Turkish government decided to support the 2nd Halal Travel Conference which was held in Konya in May 2016. Konya is a middle Anatolian city well known for its cultural heritage.²⁸² According to the information taken from organization committee of the conference, Turkish State Railways accepted to be the travel sponsor of the conference by providing free fast train tickets for foreign visitors for their way from Istanbul Airport to Konya city.²⁸³

There are general government incentives valid for all companies including tourism businesses such as KOSGEB (SME Development and Support Administration) to partake in. KOSGEB compensates up to 75 percent of the total marketing expenditure for foreign markets, such as attending an exhibition abroad or implementing a marketing campaign in a foreign market, by an SME, including tourism companies.²⁸⁴

For instance, a new online booking reservation website Halalinn.com is looking for KOSGEB support for their software. It provides Muslim customers with the ability to filter Halal products and services for Turkey’s 700 hotels, including traditional hotels that decided to customize their products and services to meet Muslim needs.²⁸⁵

In addition, due to a sharp decrease in the number of tourists after the crisis with Russia, the Turkish Government announced Emergency Support Incentives for Turkey’s tourism industry in order to attract foreign tourists from other countries, especially OIC markets, by 2016:²⁸⁶ Travel agencies having an A Group License will be paid USD 6,000 per each of their charter flights bringing 100 tourists to Turkey’s six tourist airport destinations from all over the world, between April 1st and May 31th 2016. If these travel agencies bring at least 400,000

²⁷⁹ From the phone interview with Mr. Muhammet Özhan Gündüz, Halal Certification Manager, Turkish Standards Institute, April 2016.

²⁸⁰ “Turkey’s First ‘Halal Compliance Certificate’ goes to Bera Alanya Hotel.” *Recent News*. Kombassan Holding (Parent Company of Bera Alanya Hotel), 18 Jan. 2014. Web.

²⁸¹ “GİMDES Standards for Halal Travel.” *How Should It Become a Halal Hotel?* GİMDES, 2005-2016. Web.

²⁸² “2nd Halal Tourism Conference, Konya, Turkey.” *Halal Tourism Conference*. CMMedia and Tura Tourism, May 2016. Web.

²⁸³ From the face to face interview with Mr. Akin Arıkan, Director of Planning and Product Development, Tura Tourism Holding, April 2016.

²⁸⁴ “Entrepreneurship Supports.” *Supported Sectors*. Turkish Republic Small and Medium Business Development and Support Administration (KOSGEB), 2009. Web.

²⁸⁵ From the phone interview with Mrs. Zerrin Aydın Pekacar, Contract Manager of Halalinn.com, April 2016.

²⁸⁶ “PM Davutoğlu: 2016 Tourism Action Plan.” *Hurriyet Daily Newspaper*, 23 Feb. 2016. Web.

tourists from 26 countries including OIC member countries from the Gulf and Central Asian regions, they would have earned financing with the right of using credit amounting to \$35 million from Credit Guarantee Fund of the Government.²⁸⁷

MFT Stakeholders

- **Culture and Tourism Ministry:** Top regulator for MFT market. In recent years, the Ministry has tried to play an active role in the MFT market.
- Industry professionals have some expectations from the Ministry of Culture and Tourism for the growth of the Halal travel market. One of the suggestions was to establish a new department under the Culture and Tourism Ministry to foster MFT products and services. This is vital for Turkey if it wants to become a key player in Muslim-friendly tourism market.²⁸⁸
- **TÜRSAB (Association of Turkish Travel Agencies):** Represents 8,633 travel agencies including all of the biggest travel agencies across Turkey. Tourism policy and regulation is a partner with the government for the sector, and is one of the most important pressure groups on behalf of the industry. It operates like a semi government organization in intra travel agencies.²⁸⁹
- **TÜROB (Hotel Association of Turkey):** Represents more than 20 percent of Turkey's highly diversified tourism sector. Leads surveys conducted to improve marketing, promoting and sales development in domestic and international markets for the tourism industry. It collaborates with the government during legislation process. A member of IH and RA (International Hotel and Restaurant Association) and UNWTO (World Tourism Organization).²⁹⁰
- **TÜROFED (Turkish Hoteliers Federation):** Umbrella organization for 9 different tourism associations, which represent 766 tourism establishments that have 1 million employees around Turkey. It is one of the biggest pressure groups on behalf of the sector. TÜROFED prepares periodic reports and do research for their members. Organizes events for marketing tourism products and services for its members.²⁹¹
 - TÜROFED organizes events inviting big travel agencies from Middle East countries. in May 2016 several representatives of Middle Eastern travel agencies were invited to Samsun, one of the top Black Sea region cities, by TUROFED. (Event partners also included TURSAB, KATID, Black Sea Region Touristic Businesses Association, and with the support of Turkish Airlines and Samsun Municipality). They introduced resort travel facilities in the region, which mostly appeals to Arab tourists from the Gulf, , as they mostly request MFT products and services.²⁹²

²⁸⁷ "Tourism Incentives." *Official Gazette of Turkish Republic* (n.d.): n. pag. TURSAB, 5 Mar. 2016. Web.

²⁸⁸ From the face to face interview with Mr. Akin Arıkan, Director of Planning and Product Development, Tura Tourism Holding, March 2016.

²⁸⁹ "TURSAB's Duties, Activities And Its Approach To Major Issues." *TURSAB*. TURSAB, n.d. Web.

²⁹⁰ "Touristic Hotels and Investor Association." (n.d.): n. pag. *Fields of Activity*. TUROB, 2016. Web.

²⁹¹ *Touristic Hoteliers, Operators, Investors Federation* (n.d.): n. pag. *Charter of TUROFED*. TUROFED, 2016. Web.

²⁹² "Arab Travel Agencies in Samsun". Article. May-June TUROFED Magazine. Web

- **TYD (Turkish Tourism Investors Association):** Has invested in a more than 285,127 bed capacity in the tourism industry representing 25 of total tourism bed investments in Turkey. They are the largest investor group for the sector. TYD has a strong representation of power for incentives defined by government.²⁹³

4. MFT Products and Services

- **Muslim-Friendly Hotels**

Bera Alanya Hotel, one of the leading Islamic hotels in Turkey, learned to accommodate the Muslim customer from their own customer experiences. When they entered the MFT market in 2007, they were inexperienced, and developed most of their MFT products and services based on feedback from Muslim customers. From the start, the hotel's management consistently conducted customer surveys. They then developed new products and services from scratch or updated them based on the result of these surveys.

Positioning itself as a family hotel, Bera Hotel accommodates different segments of Muslim families, ranging from guests that are minimally modest (respecting general Muslim modest attire but not wearing hijab) to others that fully wear the hijab.²⁹⁴

In recent years, one of the new trends in Turkey's hotels is building swimming pools filled with heated and filtered seawater. After traditional hotels with this service, one of the biggest competitors of Bera Alanya Hotel is the Caprice Thermal Hotel, which serves as both a beach resort and a thermal hotel in Didim, Muğla, Turkey, started to serve a new pool service called Thalasso Pool. Due to rising competition and complaints from guests about the pool temperature inside the hotel, which was 24 C degree, Bera Alanya Hotel Management invested \$170,000 for a new Thalasso Pool. In this type of pool seawater is flows from the sea to the pool inside the hotel. It is filtered from impurities then warmed from 24 Celcius to 32-35 Celcius. Thalasso pools are a new attraction among tourists as heated and pressurized seawater is good for health. As a special facility for Muslim families, Thalasso pools as they built inside the hotel, with separate pools for men and women, As a result of this new service, Bera Alanya succeeded in securing tourists in the 2016 season.²⁹⁵

IC Hotels, one of the biggest mainstream hotel chains in Turkey, is targeting to attract Muslim tourists as well as traditional customers. The IC Hotel Manager said that they are fully open to Muslim-friendly tourist requests if their services allow them. They are not charging any extra fees for MFT products and services they provide. The hotel has different types of rooms and facilities to match both MFT and non MFT requests. The hotel management is now planning to educate all staff to meet MFT customers' needs.²⁹⁶

Turkey has 4.248 tourism accommodation facilities in total (including hotels, holiday villages, motels, thermals etc.) and only 200 of them call themselves "Islamic Hotels", "Alternative Hotels", "Halal Hotels", "Non-Alcohol Hotels" or "Family Friendly Hotels".

²⁹³ "Investment Portfolio." *Tourism Investments of TTYD Members*. Turkish Tourism Investors Association, 2016. Web.

²⁹⁴ From the face to face interview with Dilek Çağla Üner, Sales and Marketing Chief, Bera Alanya Hotel, Antalya, Turkey, May 2016.

²⁹⁵ From the interview with Dilek Çağla Üner, Sales and Marketing Chief of Bera Alanya Hotel, Antalya, Turkey, May 2016.

²⁹⁶ From the email interview with Mr. Necip Fuat Ersoy, Business Development and Sales and Marketing Director of IC Hotels, April 2016.

Also, more than 700 hotels in Turkey already accepted to provide at least one or more MFT product and services by registering to the MFT booking website Halalinn.com.

The products and services below are partly or fully provided in Turkey's Muslim-friendly hotels. These MFT products are listed according to research gathered from Hotel websites, interviews with customers about their experience and the information given by interviewed hotel managers.

Hotels services:

- Restaurants for families only
- Non-alcohol facility
- Turkish bath and sauna for women only
- Beach and Pool for women only
- Women only elevators and corridors to pools etc.
- Women only pool with sea water and beach sands
- Women only masjid at women only pools and beaches
- Pool and sauna for women only in defined hours
- Separate personnel of massage, spa, and barber for man and women
- Bidet/ toilet shower
- Non disco and bar facility
- Halal certified kitchen (Bera Hotel was the first hotel that obtained the "Halal kitchen certificate" from TSE in 2014. However the certificate was not renewed in 2015, but Bera management says all food served in the hotel is Halal)
- Halal Food
- Qibla direction in the room away from the toilet
- Quran and prayer rug in the room
- Masjid in the hotel
- Loud music noise isolation for masjids
- Mosque or masjid near the hotel
- Halal food facility near the hotel
- No adult channels in the room
- Modestly dressed workers
- Lectures of famous Muslim scholars
- Famous religious singers
- **Muslim-Friendly Airlines**

Turkish Airlines (THY) is a leading service provider for Halal food with a Muslim Meal option on its menu. The second biggest Airline, Pegasus, serves different menu options such as vegetarian, diabetic, low fat, and Kosher menus. But it has not yet included a Muslim meal option.²⁹⁷ Prayer before take-off is not a service in Turkey's airline industry. But, if the flight is a charter flight to Hajj or Umrah, they allow group Imams or religious leaders to make supplication, and recite Quran from the airplane's microphone.

The only airline that has a prayer area in the airplane is Saudi Arabian Airlines in their charter flights from Turkey to Hajj and Umrah and Malaysian Airlines on their long haul flights.

²⁹⁷ "Online Food Order." *Order Page*. Pegasus Airlines, 1 May 2016. Web.

- **Muslim-Friendly Airports**

Turkey has 57 civil airports, 17 of them are international ones. All airports and shopping centers have mosques and ablution facilities for travelers. Fully Halal certified food sections (both food and operations) are not in service in airports and shopping centers yet. But some of the food chains operating inside airports use Halal certified products. For example, Burger King and McDonalds announced that all their meat products have Halal certificates from the supplier. Their meat supplier is Pınar Meat Company and their chicken supplier is Banvit Company which both have Halal certification from Turkish Standards Institute (TSE).^{298 299}

- **Muslim-Friendly Transportation Facilities**

Most of the middle and large size petrol stations and stopovers have a masjid and ablution facilities along highways and intercity roads in Turkey. Most of the intercity bus corporations arrange break times in accordance with prayer times. Public sea buses and ferries (operated by government or private sector) have a masjid and ablution facilities.

- **Muslim-friendly Online Booking Websites**

Muslim-friendly filtering options have been seen for a while on worldwide online booking websites.³⁰⁰ Online filtering tools are newly developed for Muslim hotel booking websites that allow customers to choose one or more MFT products and services from conventional hotels.³⁰¹ More than 15 different websites are marketing Muslim-friendly hotels (classifying resorts, beach hotels, thermals, etc.) and their up to date prices, and accept online and offline reservations for those hotels.

Halalinn.com was founded by Atlas Group in 2014, and is based in Konya. Halalinn has the message "Muslim-friendly booking" to target both Muslim hotels and conventional hotels that are accepting to serve at least one of the MFT products or services. This new online booking reservation website allows filtering and customization of Muslim tourism products and services based on Muslim customer needs, incorporating even conventional hotels in addition to Muslim hotels. Currently, Halalinn.com has more than 700 hotels on its database across Turkey. Up until May 5th 2016, the Halalinn sales marketing team had contacted more than 700 hotel across Turkey asking if they would provide Muslim-friendly tourism products and services upon online requests from the customers. For any hotel, removing alcohol from rooms and placing a Quran and prayer rug into the rooms are the minimum requirements to be accepted for listing on Halalinn.com.³⁰²

HalalBooking.com also offers Halal-related filters for hotels and resorts. In addition to filters on general features such as star-rating, and review score, the platforms provides filters on Halal food availability, no alcohol policy and ladies-only facilities. The website lists close to 200 resorts, hotels and villas, most of which are based in Turkey.

²⁹⁸ "Food Safety and Halal Certificates." *Meat*. McDonald's Turkey, 2016. Web.

²⁹⁹ "Halal Meat Certificates." *Meat*. Burger King Turkey, 2016. Web.

³⁰⁰ "No Alcohol Option in Minibar of Hotel Room." *Hotel Reservation Pages*. Booking.com, 2016. Web...

³⁰¹ "Muslim Friendly Booking." *Find Hotels*. Halalinn.com, 2016. Web. Note: Halalinn.com provides online halal filtering option from 600 hotels, including traditional hotels who are accepted to serve at least the Halal kit of Halalinn (which consists from Qibla direction signer and the Qur'an Karim).

³⁰² From the email and phone interview with Mrs. Zerrin Aydın Pekacar, Contract Manager of Halalinn.com, April 2016.

- **Muslim-Friendly Travel Agencies**

For a Muslim tourist looking for an alternative tourism package, the selection of their travel agency is critically important for MFT products and services. Thanks to hundreds of travel agencies, which are serving 1 million Turkish Muslim travellers for Hajj and Umrah market every year, and the number of IATA membered A Class travel agencies which are 557 in Turkey, it is estimated that more than half of them have a Halal perspective as they have MFT experiences from the Hajj and Umrah market.³⁰³

Almost 50 years old, Tura Tourism Holding based in Istanbul has a division for sensitive Muslim travelers. This department of the Holding is mainly providing “Halal customized” services for Muslim travel groups from Malaysia, Singapore, Indonesia, and China especially, who want to have a holiday in Western countries like Switzerland and Spain.

Upon the request of the tourist groups who select a destination at a lakeshore in Switzerland for instance, the travel agency contacts different hotels located in the region asking them if they are ready to accept purification of their kitchen according to Islamic rules. If the hotel accepts to hand over its kitchen to the travel agency specialists who are Muslim staff responsible to purify any hotel’s kitchen, it performs the necessary cleansing and removes alcohol, etc. All meats and food cooked, during the group’s accommodation at the hotel are supplied from Halal certified companies across Europe.

This specialized service has created a new trend among boutique hotels located in Italy, Spain and Switzerland. Some of those hotels converted to serve only Muslim travel groups as the price doubles or more compared to traditional customers.³⁰⁴ Another way is establishing different companies for MFT products and services separating mainstream business from MFT ones, such as Tura Tourism Holding does. The Holding has subsidiary companies serving different types of customers from the mainstream cruise to Hajj and Umrah travels. Subsidiary travel agency, Berat Turizm, focuses on the Hajj and Umrah business that is owned by Tura Tourism Holding.³⁰⁵

A small soap company called “More than Soap” is manufacturing vegetarian soap supplied to hotels like Çırağan Palace Kempinski, Richmond Sapanca Hotel, Ramada İzmit Hotel, and Les Ottomans Hotel. ³⁰⁶ Other Halal certified cosmetic firms in Turkey are also supplying Halal cosmetic products.³⁰⁷ Most of the hotels were established by small and medium enterprises in Turkey. As a local investment tradition, capital earned from textile, apparel and construction sectors flows to the tourism market, building new hotels, resorts or thermals.

5. Distribution

Direct sales prevail over indirect sales in the MFT market, reaching 60-70 percent. Offline sales still prevail over online sales in the MFT market, with almost a 70 percent/30 percent split. Bera Alanya Hotels’ offline reservation office’s own website is a main distribution channel, consisting of up to 70 percent of their total sales (30 percent coming from outside, such as other travel agencies and other online reservation websites). The share of other

³⁰³ "IATA Member Travel Agencies in Turkey." *IATA Member List*. TURSAB, 2016. Web.

³⁰⁴ From the interview with Mr. Akın Arıkan, Director of Planning and Product Development, Tura Tourism Holding, March 2016.

³⁰⁵ Ibid.

³⁰⁶ "Organic Cosmetics." *About Us*. More Than Soap Company, 2016. Web.

³⁰⁷ "Halal Certified Cosmetic Companies List." *Halal Cosmetics*. GIMDES Halal Certified Companies, 2016. Web.

distribution channels is 30 percent, of which 70 percent comes from Bera's long term travel agency distributors, and the other 30 percent comes from other online booking websites.³⁰⁸³⁰⁹

Our interviewees, such as Çırağan Palace Kempinski, IC Hotels and Bera Alanya Hotels have confirmed similar percentages. Bera Hotel's main distribution channel is its phone reservation center, which takes nearly 70 percent of its own reservations, and employs 12 call center staff with its website taking 30 percent of its own reservations.

The second biggest distribution channel for MFT products and services is travel agencies. Travel agencies play a key role as they are in two categories, local and foreign.

The third is online booking websites. There are about 15 MFT hotel booking websites operating in Turkey. MFT hotels also try to attract customers through traditional booking websites such as Tatilsepeti.com, Trivago.com, Tatil.com, and Booking.com.

There are more than 15 different online travel agencies featuring Muslim-friendly hotels. There are 50 to 200 different MFT hotels in each website.

6. Promotion

As customer focus shifted from newspapers to social media in recent years, MFT hotels also started to use Facebook, Instagram and Twitter actively.

Easing financing by instalments is an attraction selling point. Holiday packages sold to tourists in three, six, or nine monthly instalments if they have a credit card. Credit card instalments of up to nine months are a very common method of payment in the Turkish market from white goods sales to room sales. Both direct sales and online channel sales can apply instalments if the customer wishes. This method allows credit card owners to stay longer days in the hotel as they distribute total payment over a nine-month period after ending his or her holiday. If the customer prefers to pay cash, he or she can get a small discount of about 5%.

Direct marketing, email marketing, phone, and SMS are actively in use. Generally, hotels set the new season's prices by February each year and their advertisements go public by March. Distribution occurs during the main travel season which is between May and September. Islamic newspapers, magazines, radio and television channels, are major distribution channels for the promotion of MFT products and services.

7. Pricing

Pricing is inconsistent within the MFT beach resorts market for two reasons. First, the market is a niche market, and most resorts are newly converted from conventional resorts to MFT ones because of the appeal of being able to charge higher rates to MFT guests. The second reason is that several new entrants to the market are inexperienced and have a random pricing structure. Bera Hotel is known as the price setter in the MFT beach resort market. Each Spring, it releases that year's pricing, then other MFT hotels announce their prices.³¹⁰

³⁰⁸ From the face to face interview with Dilek Çağla Üner, Sales and Marketing Chief, Bera Alanya Hotel, May 2016.

³⁰⁹ From the phone interview with Mr. Kemal Tozlu, Ex Consultant to Adanya Hotels.

³¹⁰ From the face to face interview with Dilek Çağla Üner, Sales and Marketing Chief, Bera Alanya Hotel, May 2016.

Early reservation owners can get better prices and are mostly Turkish origin travellers from Germany, Netherlands, and France making up 30% to 35% of total visitors. The leftover 65% to 70% are from Turkey's domestic market. Most of them like last minute reservations, which costs them a higher price. Local MFT tourists are not accustomed to securing their reservation months before travel.

Halal tourism hotels, mostly five star ones, charged 30 percent higher prices than their conventional competitors in 2016. According to comparisons taken from online booking websites, the price gap narrows when the stars reduce to four or three stars, with the Muslim-friendly hotel prices becoming nearly the same or even less expensive than conventional counterparts.

According to price searches and comparisons (please refer to the table on the following page) all-inclusive prices for early reservation for two people for one night at one of the leading MFT hotels on average are: EUR209 for July, EUR117 for August, and EUR78 for September for the 2016 summer season. These figures are about 20 to 30 percent more than the rates of traditional five-star hotels at similar locations with similar service levels.³¹¹ According to sector professionals, MFT hotels charge 20 to-30 percent higher prices than conventional hotels that are located at the same destinations and with the same number of stars.³¹² But the real price differences come from the travel agencies.

Huge price differences can be seen for the same room in Turkey's tourism industry. Nearly all hotels including MFT ones sell at least 30 per cent of their rooms to giant international travel agencies like Thomas Cook with a hugely discounted price of up to 50%-60% off 6-8 months before the start of the tourism season begins. But local travel agencies do not have the same financial power as foreign ones. While foreign travel agencies sell Turkish hotels from EUR 20-25 per night to Turkish tourists who are living in Germany, local travel agencies sell the same room to local Turkish tourists for EUR 35-40. Therefore, this gap creates a conflict and distrust among local tourists for hotels because they have to pay nearly double in comparison to foreign tourists to stay in the same hotel.

Table 11: Turkey MFT Hotel Rates

MFT HOTEL RATES FOR SUMMER 2016 SEASON IN TURKEY								
HOTEL NAME	July		August		September		Average Rack Rate for 2016 Summer(EUR)	Average Early Reservation Rate for 2016 Summer (EUR)
	Rack Rate (EUR)	Early Reservation Rate (EUR)	Rack Rate (EUR)	Early Reservation Rate (EUR)	Rack Rate (EUR)	Early Reservation Rate (EUR)		
Wome Deluxe	300	141	243	114	166	62	236	106
Adenya Hotel	250	173	200	147	170	90	207	137
Bera Hotel	155	110	140	100	118	85	138	98
Adin Beach	148	128	125	120	89	73	121	107
Ottoman Family	191	105	181	105	110	80	161	97
AVERAGE	209	131	178	117	131	78		

Sources: Hotel websites, tatilsepeti.com, islamiotel.com

³¹¹ Note: 20%-30% higher rate mentioned by several market professionals. It is confirmed by doing price search in www.tatilsepeti.com (one of the mainstream booking website) comparing 5 star Islamic hotel prices with traditional similar hotels located in Antalya/Belek region.

³¹² From the phone interview with Mr. Kemal Tozlu, Ex Consultant to Adenya Hotels.

8. Challenges

There are complaints about Islamic hotels and even more complaints about newly converted Muslim hotels. The new trend in Turkey is converting a hotel from conventional hotel to a Muslim-friendly one. High prices and under investment in Muslim hotels attract traditional hotel owners to convert their hotels to MFT ones. However, especially with newly converted hotels, this can cause awkward situations for Muslim travelers because of their inexperience. The general complaint points raised by tourist interviewees for all Muslim hotels are;

- Women only beaches cannot be separated and covered completely from nearby conventional hotel beaches. Actually, it is not allowed to fully separate beaches from one another according to Turkey's shores law.
- Loud music can be heard even in masjids and mosques inside the hotel.
- Non-Islamic behaviour of other travellers. Over tolerance of hotel management due to fear of customer loss.
- Non-modest clothing of hotel personnel (at newly converted hotels, especially).
- Allowing men and women to sit together during evening activities, especially during musical activities.
- Lack of reminders about the Halal rules (haram, halal, tayyab etc.) by Hotel management.
- Conflict of interest of Muslim hotel owners between full sensitive customers and semi sensitive customers in terms of applying Islamic rules.
- Lack of investments in separate facilities for men and women, such as separate swimming pools and spa facilities.³¹³

9. Lessons Learned

- Traditional hotels are adapting to MFT products and services faster than expected as the customer base is expanding steadily in Turkey.
- Even if they are not able to serve as MFT fully, hotels are eager to announce at least one or more MFT products and services. More than 700 hotels have registered to Halalinn.com, most of them as 'partially MFT hotel'.
- As a result of the attractive MFT market segment some traditional hotels (e.g. Selge Beach Hotel) are converting from a traditional hotel to an MFT one.
- Gap of new investments in the market.
- Educated personnel are a golden key for keeping Muslim tourists loyal.

³¹³ From face to face interviews with two Muslim tourists from Istanbul, Turkey. Mr. Hasan Arslan (Lawyer, age 36, married with children) and Mr. Gökay Gülay (Computer Engineer, age 37, married with children)

5 Gap Analysis and Opportunity Insights

In this section MFT government policies, products and services, as well as MFT marketing are compared with global benchmarks as well as with MFT best practices, to determine the gaps and opportunity areas. The vast variation in terms of MFT development across OIC countries implies the existence of different gaps and opportunities.

However, before providing the gaps analysis, below is a product and services matrix that summarizes the MFT ‘common practice’ product features in addition to the MFT ‘advanced features’ that were previously discussed in the case studies as well as in section ‘5. Products and Services in OIC Member Countries’.

Table 12: Summary of Product and Services Features Across the Value Chain

Sector	MFT Common Practice	MFT Advanced Features
Food and Beverage	Halal certified food global brand franchises (KFC, Pizza Hut, Hardee’s, etc)	Government mandates that all restaurants must be certified Halal (as in the UAE)
		Provide prayer room on premises.
Accommodation	Offering Halal certified food	Hotel is Halal certified (Halal Europe in Sarajevo)
	Prayer rug and qibla direction in rooms.	Staff wears modest clothes (De Palma Group of Hotels in Malaysia)
	Dedicated hours for ladies at the pool and gym.	Conduct congregational Friday prayers (Sofyan Hotels in Indonesia)
	Bidet or handheld sprayer in bathrooms.	Separate swimming pool, spa, gym facilities for ladies
		Separate ladies beach (Adenya Resort)
		Family-friendly entertainment
		No adult channels in rooms
Transportation	Halal meals on airplanes (Etihad, Emirates, and Qatar airlines)	Prohibit alcohol on flights (Kuwait Airways, Air Arabia, Saudi Arabian Airlines)
	Air pre-recorded Muslim supplications during takeoff.	Designated prayer area on board planes (Saudi Arabian and Etihad airlines)
	Halal food and prayer areas in airports.	Halal food and segregated spa facilities.
	Prayer areas and ablution facilities at rest areas in highways.	
Activities	Attractions and entertainment venues offer Halal food, prayer areas and washing areas (e.g. Ferrari World and Wild Wadi Waterpark in UAE, and Genting Highlands in Malaysia)	Special days or timings dedicated to women to enjoy entertainment facilities (e.g. Al Shallal Theme Park in Jeddah)
		Halal spas for women that use products free of pork derivatives and offer headscarf styling services.
		Tours being offered online through platforms such as Tripfez.
		Mosque trials as offered in Malaysia.



Sector	MFT Common Practice	MFT Advanced Features
Travel Services	Providing Halal food and accommodating prayer times in tour itineraries.	Digital travel services including Muslim-focused websites and travel apps (e.g. Halalinn website in Turkey)
	Islamic heritage tours	

5.1 Importance of Religious Considerations for Muslim Travelers

The rationale to addressing the Muslim travel market as a unique target segment is that Islamic religious considerations significantly affect Muslim travelers' buying, decision-making and satisfaction levels.

This study's survey provides a very strong view that 'religious' considerations in travel products/ services are a significant need for most Muslim travellers. Below are those key insights from this Study's research that this proposition is based on:

- **Researching for religious needs during travel:** A big number (84%) of respondents said they research destinations before traveling to ensure they meet their religious needs.
- **Muslim-friendly services identified as a major need:** In ranking criteria for choosing leisure travel destination, Muslim-friendly services had the highest score, with 65% of respondents saying that it was 'Extremely Important.' (See section #2.2)
- **Halal food options is the most important need identified:** For accommodations, the presence of Halal food options is the most important criteria with 95% of the respondents (67% 'Extremely important.) There were similar responses for restaurants in general and for travel transit facilities such as airports, malls, etc.
- **Religious needs not being served:** Even though a high majority said they were satisfied with their last leisure trip, 39% of respondent also said that their religious needs have been totally neglected. This may imply that they are happy with their travel experiences so far, but with clear areas of needs not being served, that can become a marketing differentiating opportunities for most travel industry stakeholders.

5.2 Customer Demographics and Purpose of Travel Opportunities

In regards to customer segmentations, based on this study's general market research and survey analysis, the following are the key areas of Muslim traveler customer segment opportunities:

Demographic

- **Young demographic segments:** As highlighted in Section 5.1, the Muslim traveller market, the most prominent age segment for MFT market is the 'Millennial' age segment of 18-34. In addition, young Gen X Muslim families with children (age 35-44) would be the other most important segment, especially for the luxury segment but also for the middle-class market segment.
- **Singles and young married couples:** As evident by survey responses, 'Married with children' (50%) are a significant portion of the lifecycle stage of Muslim travellers. This coupled with age demographics, points to young families. In addition, the second

highest segment are ‘Singles’ (28%) and ‘Married without children (including young couples) (14%) are distinct opportunity areas as well.

- **Middle and high Income levels:** The survey has shown clear consideration for ‘costs,’ and an employed respondent profile mid-income consumers. In addition, based on the general Muslim traveller source market income levels, middle-class represents the majority of Muslim travellers. At the same time, a significant portion of luxury travel concentrated from GCC markets is also a distinct opportunity segment.
- **Geographic demographics:** Based on the geographic distribution of major Muslim traveller source markets, following would be key markets of opportunities in order of priority: MENA-GCC, MENA-Other, East Asia, West, Central Asia

Purpose of travel

- **Led by Leisure other segments also significant:** In comparison to global travel purposes (see below), the Muslim traveller purpose of travel are unique in some ways. While the ‘Leisure’ category is highest and hence should be a major focus for the MFT market, a few distinctions stand out. While both surveys referenced below are not an exact comparison, nevertheless, VFR (Visiting friends and relatives), religious travel, business and education seem to stand out much more distinctly as opportunities in the MFT market.

Table 13: Global travel purposes compared to MFT travel purposes

Global travel purposes (UNWTO in 2014):	MFT travel purposes (Study Survey):
<ul style="list-style-type: none"> • 53% Leisure, recreation and holidays • 27% VFR, health, religion and other • 14% Business and professional • 6% Not specified 	<ul style="list-style-type: none"> • 62% Leisure • 54% Family and friends • 32% Religious • 21% Business • 16% Education • 5% Medical

5.3 Public Policy Gaps/ Opportunities

There are distinct gaps in global public policies as well as in the public policies of mature MFT markets and other OIC countries.

The symbols in the legend below will be used in this section to identify which of the gaps and opportunities in the tables beneath each section are suitable for which type of OIC country.

‘Mature Markets’ are countries with well-developed Halal ecosystems and awareness, such as Malaysia and Indonesia. ‘Progressing’ are those with well-developed ecosystems, for example there is an availability of Halal food and Islamic heritage sites, but low awareness and absence of promotion of those products and services to Muslim tourists. Examples of those countries are most Arab countries, Mozambique and Uzbekistan. ‘New markets’ are countries with weak ecosystems and low awareness, such as Nigeria and Guyana.

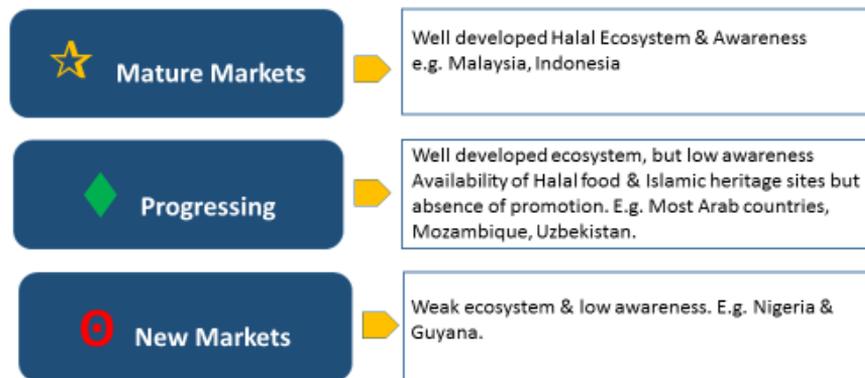


Table 14: MFT Public Policy Gaps and Opportunities

Policy	Global Initiatives	MFT Initiatives	Gaps/Opportunities
Government Policies	<ul style="list-style-type: none"> • Visa waivers • Easing business regulations 	<ul style="list-style-type: none"> • Providing subsidies to obtain Halal certification • Easing visa policy • Establishing national MFT committee • Establish halal food regulations • Designating certain destinations for MFT • Tourism infrastructure development fund 	<ul style="list-style-type: none"> • Ease visa policies ★◆³¹⁴ • Establish MFT national body ★◆⊙ • Implement Halal regulation/compliance ★◆⊙ • Set tourism infrastructure development fund ★ • Provide subsidies ◆⊙ • Designate certain destinations for MFT ◆⊙
Government-led Destination Marketing	<ul style="list-style-type: none"> • Developing brand identity 	<ul style="list-style-type: none"> • Joint promotions with airlines • Aggregating promotions • Allocating certain percentage of tourism budget to MFT marketing. 	<ul style="list-style-type: none"> • Develop MFT brand identity ★◆ • Joint promotions with airlines ★ • Aggregate promotions ◆⊙
Bilateral Cooperation	<ul style="list-style-type: none"> • MOU's with countries detailing bilateral cooperation 	<ul style="list-style-type: none"> • Technical knowledge exchange • Joint promotion of destinations 	<ul style="list-style-type: none"> • Bilateral tourism agreements ★ • Technical knowledge exchange ◆ • Joint promotion of destinations ⊙
Global Cooperation	<ul style="list-style-type: none"> • Global tourism development agreements 	<ul style="list-style-type: none"> • Global conferences to discuss MFT standards 	<ul style="list-style-type: none"> • Develop unified standard ★◆ • Establish body to stand up for Muslim rights ★◆

³¹⁴ The ★ symbol refers to mature markets that have well developed Halal ecosystems and awareness. The ◆ symbol refers to markets that are progressing; they have well developed ecosystems but low awareness. The ⊙ symbol refers to new markets with weak ecosystems and low awareness.

Policy	Global Initiatives	MFT Initiatives	Gaps/Opportunities
SME Support	<ul style="list-style-type: none"> Establishing portal for tourism SMEs Training Marketing support 	<ul style="list-style-type: none"> Training tourism suppliers Subsidies Facilitate Halal certification Marketing support 	<ul style="list-style-type: none"> Train tourism suppliers ★ ◆ ○ Facilitate Halal certification ◆ ○ Provide subsidies ◆ ○ Establish portal for SMEs ◆ ○ Include MFT travelers as a segment in tourism and hospitality courses ★ ◆

Government Policies

Easing visa policies: Countries globally ease their visa policies towards countries they wish to attract more tourists from. Therefore, to encourage increased visitors from neighboring OIC countries, nations would do well to ease their visa restrictions to those countries. For example, Azerbaijan has lifted the visa requirements for UAE nationals.³¹⁵

Providing subsidies: Several OIC as well as non-OIC countries provide subsidies to tourism suppliers specifically in regards to obtaining Halal certification. Governments that wish to better regulate this market should provide subsidies to encourage suppliers to obtain Halal certification.

Establishing a national MFT committee. In 2015 Indonesia established a national committee, reporting to the Minister of tourism, focused on MFT travel. Similarly, other countries have established similar bodies to focus on the development and marketing of MFT travel.

Facilitating Halal regulation and compliance. OIC countries should closely regulate the Halal food industry and monitor compliance of suppliers as well as encourage certification. Halal rating and certification services for hotels and restaurants was the top need selected by survey respondents. In Malaysia hotels that apply for the conventional star rating must also meet certain conditions that directly relate to being Muslim-friendly. Others wishing to further cater to Muslim tourists may apply for Malaysia's Muslim Friendly Hospitality Services standard (MFHS).

Designating certain destinations for MFT. Indonesia has designated three provinces in the country, based on certain criteria, for Halal tourism. This way, it is able to focus its efforts in terms of product development and marketing on those destinations before expanding to other destinations in the country.

Tourism infrastructure development fund. Malaysia established a tourism infrastructure development fund to support the development of tourism related real estate projects, by offering mortgage assistance. Other OIC countries may similarly consider setting up a fund to support MFT real estate projects.

Government led destination marketing

Brand Identity. Destinations should develop a brand identity which defines how they would like to be perceived by Muslim travelers. For example, Miami's brand identity is of it being a glamorous city.³¹⁶ A MFT related example is Malaysia's use of the slogan 'Muslim Friendly Malaysia' alongside it's mainstream slogans 'Malaysia Truly Asia', and '2015 - Year of Festivals'. The joint use of these slogans alongside other branding elements, including marketing materials

³¹⁵ "Azerbaijan Entry Visa Requirements Lifted for UAE Nationals The National. 11 Nov. 2015. Web. 23 June 2016.

³¹⁶ Oates, Greg, "Interview: Miami Tourism CEO Explains the Essence of Destination Branding" Skift. 10th Sept., 2015



targeting Muslim travelers, help develop Malaysia's brand identity as a MFT with a unique tourism experience to offer.

Joint promotions with airlines. For example the Tourism Authority of Thailand (TAT) launched a marketing partnership with Etihad Airways to promote travel to Thailand from priority markets including Iran, Kuwait, and the UAE.

Aggregating promotions. In Japan more than twenty accommodation facilities cooperated in creating and launching a website targeting Muslim travelers that aggregated the promotions of the different facilities.

Bilateral Cooperation

Technical knowledge exchange and joint promotion of destinations are some of the forms of bilateral cooperation. The Malaysian and Indonesian governments have cooperated in technical knowledge exchange in the area of MFT as well as in jointly promoting their destinations.

Global Cooperation

Standardization There are some efforts to standardize MFT products and services across different countries, but they are still in their infancy. The market is in need of a global standard, or at least regional standards that define MFT products and services.

Body to advocate for Muslim traveler rights. Another gap is the absence of a body to stand up against Islamophobia attacks on Muslim travelers and stand up for their rights.

SME Support

Governments supporting mainstream sector tourism SMEs provide a wide range of support, from developing a portal dedicated to tourism SMEs that includes useful tools to providing training services, to marketing support.

Some of the gaps and opportunity areas for the MFT travel sector is training tourism suppliers, facilitating Halal certification, providing subsidies to SME's and establishing a portal that includes useful tools for tourism suppliers. Additionally, governments can encourage the inclusion of MFT travelers as a special segment in tourism and hospitality related courses.

5.4 MFT Products and Services Gaps/ Opportunities

Table 15: MFT Products and Services Gaps and Opportunities

Sector	Global Initiatives	MFT Initiatives	Gaps/Opportunities
Transportation	<ul style="list-style-type: none"> The airport as a destination: fine dining, spa, sleeping pods. 	<ul style="list-style-type: none"> Halal food options, prayer rooms at airports. 	<ul style="list-style-type: none"> Halal food options and prayer rooms at airports. ♦ ○ Muslim-friendly gender segregated spas at airports. ☆
Accommodation	<ul style="list-style-type: none"> Home sharing Eco-friendly hotels Culturally-themed hotels 	<ul style="list-style-type: none"> Halal food Prayer spaces Qibla direction Water sprayer/bidet shower No alcohol Segregated pool and spa facilities Information on nearby mosques and Halal restaurants Ramadan services 	<ul style="list-style-type: none"> Segregated pool and spa facilities ☆ Muslim-friendly home sharing ☆ Halal food ♦ ○ Prayer spaces ♦ ○ No alcohol ♦ Muslim-focused concierge apps ♦ ○ Bidet/hand shower facilities in hotels ♦ ○ Ramadan services ♦ ○ Information on nearby mosques and Halal restaurants ○
Food and Beverage	<ul style="list-style-type: none"> Crowd-sourced restaurant review websites, e.g. Yelp Kosher certified restaurants Organic certified restaurants 	<ul style="list-style-type: none"> Crowd-sourced review website of Halal restaurants: Zabihah.com Halal certified restaurants Halal restaurants (with no official certification) 	<ul style="list-style-type: none"> All restaurants serving Muslims to be Halal certified ☆ ♦ ○ Muslim-friendly meal sharing platform ☆ Review sites for Halal restaurants to develop strong brand
Travel Services: Travel Agencies	<ul style="list-style-type: none"> Are differentiated by focusing on specific theme or target market 	<ul style="list-style-type: none"> Not much differentiation 	<ul style="list-style-type: none"> Differentiate by focusing on specific target market and product offering ☆ ♦ Target Muslim market segments in addition to other market segments ○
Travel Services: Ancillary Services	<ul style="list-style-type: none"> Travel insurance Health insurance Passport and visa services Currency exchange 	<ul style="list-style-type: none"> No MFT customizations available 	<ul style="list-style-type: none"> Takaful –based Travel Insurance ☆ ♦ ○
Activities	<ul style="list-style-type: none"> Online tour booking websites: Viator, TripAdvisor Improve infrastructure of heritage sites Cultural entertainment 	<ul style="list-style-type: none"> Tripfez Muslim tours and activities booking website. Improve conservation of Islamic heritage sites Cultural entertainment Prayer rooms in malls and at attractions Training tour guides on Islamic heritage sites 	<ul style="list-style-type: none"> Improve infrastructure of Islamic heritage sites ☆ ♦ ○ Adapt culture based entertainment to be Muslim-friendly ☆ ♦ ○ Provide prayer rooms in malls and at attractions ☆ ♦ ○ Training tour guides on Islamic heritage sites ☆ ♦ ○

Transportation

An increasing number of airports are accommodating the needs of Muslim travelers by providing Halal food options and prayer spaces. Mainstream airports are looking to transform themselves to destinations by offering amenities that range from fine dining to ice skating. Singapore Changi Airport has cinemas; Hong Kong International airport offers a nine-hole golf course; Seoul's Incheon Airport offers an ice skating rink; Amsterdam's Schiphol Airport holds art exhibits and provides classical piano lessons; and Singapore's Changi Airport has a rooftop swimming pool. Many airports offer sleeping pods for long layovers in addition to spa services. There is an opportunity to customize these services to Muslim guests by offering gender segregated sleeping pods, private massage and spa services, also segregated by gender.

Accommodation

MFT Accommodation features. Basic MFT services at hotels include providing Halal food and prayer spaces, and possibly removing alcohol. Specialized MFT resorts also offer segregated pool and spa facilities. In Malaysia, hotels applying to the Ministry of Tourism and Culture for a conventional star rating must also meet some minimum conditions that directly relate to being Muslim-friendly. Hotels that want to further adopt Muslim-friendly services may adopt the Muslim Friendly Hospitality Services standard (MFHS).

Muslim-friendly home sharing was among the top needed services by Muslim travelers. There is an opportunity to provide home sharing that accommodates Muslim needs such as providing a prayer mat and Qibla direction as well as having hosts indicate closest Halal restaurant and mosque.

In accommodating the Chinese market, Marriott hotels in top destinations for Chinese tourists, including New York, London, Paris, Dubai and Tokyo, offer a Marriott international WeChat Travel Concierge that provides Chinese guests with tips on places to visit, food to eat, and activities to do.³¹⁷ Information on nearby mosques and Halal restaurants can similarly be provided through WhatsApp or a hotel concierge app. For WhatsApp, guests who wish to receive information via WhatsApp messages would provide their mobile numbers to the front desk. The hotel should use a WhatsApp scheduling tool to deliver timely messages based on the duration of the guests' stay and any special happenings, for example when guests are staying during Ramadan, messages should be tailored accordingly. For the hotel concierge app, guests would need to download it on their phone. It could provide useful information such as the location of local mosques and halal restaurants as well as prayer times. It would also send push notifications with timely messages, for example if there is a special Muslim related event, such as special entertainment or a Ramadan buffet.

An aboriginal-themed hotel in Vancouver has 18 rooms each featuring a unique theme. The rooms were designed by six aboriginal artists and Vancouver-based interior design firms.³¹⁸ Shaza Hotels in the GCC is similarly themed in a contemporary Arabian style and focuses on Arabian hospitality.

Food and Beverage

Halal certification. Halal restaurants are either certified Halal by a recognized Halal certification or announced to be Halal by the owner, who is usually a Muslim. Kosher

³¹⁷ Marriott International's Multicultural Smarts Newsletter, April 2016

³¹⁸ "Skwachays Lodge." Tourism Vancouver. N.p., n.d. Web. 9 May 2016.

restaurants on the other hand must be certified, same case with organic restaurants. Governments should strive to push the certification of all Halal restaurants and ensure compliance.

Restaurant review sites. The crowd-sourced restaurant review website Yelp provides reviews on restaurants, cafes and other local businesses. Similarly Zabihah.com provides reviews on Halal restaurants, cafes and shops globally. However, Muslims are equally active on Yelp, providing reviews on Halal restaurants. There is an opportunity for Muslim food review sites to strengthen their branding to be the main frame of reference for Halal restaurant reviews.

Meal sharing. The growth of the sharing economy has spurred the emergence of several meal sharing websites such as EatWith, which allows travelers to enjoy a meal prepared by a local and served at the local person's home. There is no similar service for Muslim travelers, and meals offered on these platforms are usually accompanied by alcohol and are not Halal.

Travel Agencies

Mainstream travel agencies tend to be more specialized than MFT agencies. Mainstream agencies tend to focus on specific market segments, such as families or honeymooners, as well as certain travel themes such as adventure travel and voluntourism. In the United States for example, there are travel agencies focused on students such as STA Travel, on cruises such as Cruises International in South Africa. Survey respondents indicated that they were interested in themed trips such as heritage experiences and adventure travel. Travel agencies serving the MFT market would do well to focus on specific products and target market. For agencies in countries in which the MFT market is not well developed, they may target the Muslim market in addition to other market segments.

Ancillary Services

Traditionally travel agencies and online travel agencies have been providing some of the travel-related ancillary services such as travel insurance. Additional travel services such as health insurance, passport and visa services, and currency exchange tend to be provided by separate providers. For some of these ancillary services there is an opportunity to offer a MFT version. For example instead of mainstream travel insurance, *takaful* based travel insurance can be provided.

Activities

There are many mainstream companies that focus on tours and activities, such as Viator and TripAdvisor. Tripfez, it is an online marketplace to search and book Muslim-friendly tours, activities and experiences. In April, 2016, Tripfez raised \$750,000 in seed investment which it will use for expansion.

Islamic heritage sites ranked fourth (after total cost, Muslim-friendly services, and friendliness of locals) in terms of important criteria for choosing a destination. Therefore OIC countries that have Islamic heritage sites would be well advised to promote them to Muslim travelers as well as enhance the product offering and train tourist guides. For Spain, one of the main incentives for Muslims to visit Spain is its Islamic cultural and historical heritage. OIC countries should also improve the conservation of heritage sites and develop infrastructure facilities to cater to the needs of tourists.

Cultural entertainment is popular in many countries such as Indonesia’s folk dances and Turkey’s whirling dervishes’ performances. Countries may need to adapt performances some performances to suit Muslim sensibilities.

Travel themes. Many of the travel themes that are rising in popularity with the mainstream travel market, are still uncommon in the MFT market, with few companies offering adventure travel, ecotourism or voluntourism.

5.5 MFT Marketing Gaps and Opportunities

Table 16: Marketing Gaps and Opportunities

Sector	Global Initiatives	MFT Initiatives	Gaps/Opportunities
Traditional Advertising	<ul style="list-style-type: none"> • Brochures • Print ads • Direct Mail • Integrated campaigns 	<ul style="list-style-type: none"> • Brochures • Visitor guides • Print ads • Direct Mail • Integrated campaigns • Digital advertising 	<ul style="list-style-type: none"> • Visitor guides ★ ◆ ○ • Innovative integrated campaigns that combine both traditional and digital advertising ★ ◆ ○
Digital Promotion	<ul style="list-style-type: none"> • SEO • Email marketing • Social media marketing • Mobile marketing • E-brochures • Marketing videos • Virtual Reality 	<ul style="list-style-type: none"> • SEO • Email marketing • Social media marketing • Mobile marketing • E-brochures • Marketing videos • Halal apps 	<ul style="list-style-type: none"> • Online visitor guides ★ ◆ ○ • Vblogging ★ ◆ ○ • Mobile marketing ★ ◆ ○ • Marketing videos and YouTube ads ★ ◆ ○ • Virtual Reality ★ • Halal apps ★ ◆ ○
Public Relations	<ul style="list-style-type: none"> • Press releases • Trade Shows • Fam trips • Sales missions • Influencer campaigns/brand ambassadors 	<ul style="list-style-type: none"> • Press releases • Trade Shows • Fam trips • Sales missions 	<ul style="list-style-type: none"> • Influencer campaigns ★ ◆ ○ • Fam trips ★ ◆ ○ • Trade shows ★ ◆ ○ • Press releases ★ ◆ ○
Sales Promotion	<ul style="list-style-type: none"> • Cross promotions • Contests • Trade shows • Discounts 	<ul style="list-style-type: none"> • Cross promotions • Contests • Trade shows • Discounts 	<ul style="list-style-type: none"> • Cross promotions with other ‘Halal’ economy sectors ★ ◆ ○ • Contests ★ ◆ ○ • Trade shows ★ ◆ ○ • Discounts ★ ◆ ○
Integrated Campaigns	<ul style="list-style-type: none"> • Social media Contests • Print • TV Commercials 	<ul style="list-style-type: none"> • Social media Contests • Print 	<ul style="list-style-type: none"> • Integrated offline and social media campaigns ★ ◆ ○ • Social media influencer contests ★ ◆ ○ • Cluster marketing ◆ ○
Distribution	<ul style="list-style-type: none"> • OTAs • Travel agencies • Provider websites 	<ul style="list-style-type: none"> • OTAs (mainstream and Muslim-dedicated) • Travel agencies • Provider websites 	<ul style="list-style-type: none"> • MFT OTAs should increase consumer awareness to distribution to MFT OTAs ★ ◆

Sector	Global Initiatives	MFT Initiatives	Gaps/Opportunities
Pricing	Premium pricing on high-demand and differentiated products	Competitive Pricing	<ul style="list-style-type: none"> Continue competitive pricing for undifferentiated products ☆ ◆ ○ Charge premium pricing for value-added and high demand products ☆ ◆ ○

Traditional Advertising

Both mainstream and MFT markets use traditional advertising as one component of their marketing mix. Although print advertising is in the decline³¹⁹, tourism suppliers continue to produce print brochures as well as run direct mail campaigns. Serendipity Tailormade, which is a travel agency in the United Kingdom focused on Muslim travelers, sends out direct mail postcards that targets the 50+ age-group, who are not as active online, to promote their escorted group tours. Companies should develop innovative integrated campaigns that combine both traditional and digital advertising.

Digital Promotion

Both mainstream and MFT suppliers are engaged in digital advertising. There's an opportunity for MFT advertisers to use digital advertising more creatively.

Social Media: JW Marriott Cancun Resort and CasaMagna Marriott Cancun Resort in Mexico engaged five travel video bloggers (vbloggers) to travel to Cancun to produce videos highlighting the two resorts as well as post their experiences on their Facebook, Twitter and Instagram accounts, using the hashtag #gottequila. The campaign reached 1.8 million viewers and generated media value of \$378,280.³²⁰

Fairmont Hotels and Resorts in Toronto Canada offers its Twitter followers special offers and incentives such as "an American Express Partnership that offered a free night for cardholders. Twitter followers that interact with Fairmont occasionally receive gifts and giveaways as a reward for following."³²¹

Burj Al Arab Jumeirah launched an Instagram campaign that involved social media influencers and high net-worth individuals who engaged with the local community through the hashtag #MyDubai. The #MyDubai initiative was launched earlier this year by His Highness Sheikh Hamdan bin Mohammed Al Maktoum, Crown Prince of Dubai to create an autobiography of Dubai through pictures and videos. More than 1.5 million posts using the hashtag have been shared so far on Instagram. Pictures selected from #MyDubai moments campaign were projected on Burj Al Arab's sail.³²²

Marketing Videos. Most mainstream and some MFT travel suppliers are active in producing marketing videos. These should be uploaded to the company's website, shared on social media as well as used for YouTube ads.

Virtual Reality: Several mainstream brands have started experimenting with using virtual reality as a promotion tool. Marriott Hotels offers its guests a virtual reality travel experiences which allow guests to see Marriott's offerings in remote destinations. The travel

³¹⁹ Thompson, Derek. "The Collapse of Print Advertising in 1 Graph." The Atlantic. N.p., 28 Feb. 2012. Web.

³²⁰ Shankman, Samantha. "The Best Hotel Social Media Campaigns of 2013." Skift. N.p., 21 Oct. 2013. Web.

³²¹ Ibid.

³²² Awwad, Salma. "#MyDubai Moments to Be Projected on Burj Al Arab's Sail." Arabian Business. N.p., 24 Sept. 2014. Web.

company Thomas Cook has successfully used virtual reality which resulted in boosting sales by 190 percent. Virtual Reality experts expect a boom in this technology within the next few years and that companies that embrace the technology now will have the ability to create simulated travel experiences that can act as a teaser for the real thing.³²³ Similarly, destinations that wish to promote themselves as Muslim-friendly can utilize Virtual Reality to provide tours of their Islamic heritage sites. Hotels and resorts can offer a Virtual Reality tour of their facility focusing on their MFT features.

Mobile Marketing: IClick Interactive, a digital marketing company focused on the Chinese market, targets young digitally savvy Chinese travellers through WeChat which is a popular messaging app with Chinese millennials.³²⁴ Similarly, accommodation businesses that wish to accommodate the MFT market, can provide their guests with MFT related information and services through Whatsapp or a similar application.

Apps: MFT apps help Muslims locate restaurants that serve Halal food in addition to prayer spaces and MFT hotels. For apps to be successful, it's important that their listings are comprehensive. Survey responses indicated that Muslim travellers were interested in mobile apps that provide information on MFT locations.

Public Relations

Press releases, trade shows, and familiarization (FAM) trips are common public relations activities used by both mainstream and MFT businesses. However, mainstream suppliers are much more active in using influencers such as travel bloggers.

There are very few travel bloggers focused on the Muslim market. Muslim Travel Girl is a blog, run by UK-based Elena Nikolova, which reviews Muslim-friendly destination and provides travel tips. Singapore-based Have Halal Will Travel is travel website for Muslims run by four bloggers. Muslim Travelers is run by a couple based in the United States. Few Muslim travel brands are working with bloggers and influencers to engage their audiences. Those who do, such as Serendipity Tailormade, work with food bloggers such as UK-based Halal Gems as they find they have the same target market.³²⁵

Influencer campaigns. Social media campaigns that feature influencers who have a large following are effective in garnering audience engagement. Indonesia worked with bloggers from Malaysia and Singapore to promote itself as an MFT destination. Similarly, Spain worked with television celebrities from Malaysia to promote its MFT attractions and services.

In Spain, the Seville Mosque Foundation worked with four female Malaysian celebrities to promote Spain as a Muslim-friendly destination. The campaign involves taking the celebrities on a tour through several cities in Spain, while recording it on video. The celebrities will in turn post short 2 to 3 minute videos, once a week, for the duration of six month on their social media accounts, which combined, have several million followers.

³²³ El Shafaki, Reem. "Is Virtual Reality the next Big Marketing Tool for Muslim-friendly Tourism?" Salaam Gateway. N.p., 14 Feb. 2016. Web.

³²⁴ Loras, Sophie. "How China's 100 Million Tourists Are Reshaping Marketing Strategies." ClickZ. N.p., 9 May 2016. Web.

³²⁵ From interview with Nabeel Sharif, Founder, Serendipity Tailormade and Luxury Halal Travel, April, 2016.

Sales Promotion with other Halal lifestyle sectors

The mainstream travel industry runs travel related cross promotions, contests and discounts. For example Hyatt Hotels launched a loyalty program that offers discounts to its members when they purchase directly from the Hyatt website. An example from the MFT industry is the Indonesian coastal city of Pariaman which organized a blogging contest to promote itself as an Islamic tourism destination. Specific opportunity exists to engage with other Halal lifestyle sectors of modest fashion, retail Islamic banking, Halal food, Muslim media and other related Muslim-lifestyle sectors.

Integrated Campaigns

Integrated offline and social media campaigns are very effective. The Iceland Tourism Board launched a campaign called “Share the Secret” aimed at showcasing local attractions and lesser-known beautiful places. The campaign encouraged locals to post photos and videos sharing their special places, using the hashtag #icelandsecret. The content was compiled online and offline into an interactive art exhibition at Keflavik Airport.³²⁶

Expedia launched a contest asking people to post a photo of their favorite summer memory using the hashtag #throwmeback on Expedia’s Twitter or Instagram accounts. The company spread awareness about the contest with a TV commercial. Each week a winner is chosen and receives a travel voucher.³²⁷ Burj Al Arab Jumeirah’s campaign that was mentioned under Digital Promotion is another example of an integrated campaign, as it involved both social media as well as outdoor marketing as campaign images were projected on Burj Al Arab’s sail.

Distribution

In recent years travel distribution has shifted towards online, with online travel agencies (OTAs) now taking a large share of the market. According to Phocuswright, online travel agencies are the fastest growing distribution channel globally. Some hotels have launched campaigns to push direct bookings. Hilton Worldwide launched an ad campaign in early 2016 telling potential guests to “stop clicking around” and that the lowest guaranteed rate at a Hilton can only be found on Hilton.com. Marriott International and Starwood Hotels and Resorts Worldwide also launched similar campaigns.³²⁸

MFT hotels use both mainstream online travel agencies such as Booking.com and Agoda in addition to MFT online travel agencies such as HalalBooking.com and HalalTrip. In addition to listing the general features of hotels, MFT OTAs provide information on Muslim-friendly services offered. For example, HalalBooking.com’s platform allows visitors to search for hotels by Muslim-friendly related feature. For example, users may search for hotels where there is no alcohol provided at premises and ladies only beach is provided in addition to other features.

Pricing

The results of the survey confirm that Muslim consumers are price conscious, which is also confirmed by the interviews. Survey respondents indicated that cost was the most important

³²⁶ Pascal, Violeta-Loredana. "Iceland Launches 'Share the Secret' Campaign #icelandsecret". Argophilia Travel News. N.p., 2 Oct. 2013. Web.

³²⁷ Nudd, Tim. "Expedia Travels Back in Time to Recreate Your Best Throwback Thursday Photos One a Week through August." Adweek. N.p., 24 July 2014. Web.

³²⁸ Mayerowitz, Scott. "Why Booking Direct Has Become a Focus for Major Hotel Brands." Skift. N.p., 18 Apr. 2016. Web.



element in destination selection. On the other hand, mainstream businesses are starting to charge a premium on high demand services. The rideshare company Uber started charging surge pricing which increases the price of rides when there is high demand.³²⁹ Similarly, OpenTable, the restaurant reservation app introduced a premium pricing option which charges customers a reservation cost for booking seats at popular upscale restaurants.³³⁰ The all-inclusive resorts sector is another example of the mainstream travel sector shifting away from a cost-centric focus to competing by providing a more refined experience. Those resorts are differentiating themselves from competition by targeting specific customer types, such as singles, couples, and health conscious consumers.³³¹ MFT suppliers should continue competitive pricing for undifferentiated products but charge premium pricing for value-added and high demand products.

³²⁹ DHOLAKIA, UTPAL M., and GEORGE R. Brown. "Uber's Surge Pricing: 4 Reasons Why Everyone Hates It." N.p., 27 Jan. 2016. Web.

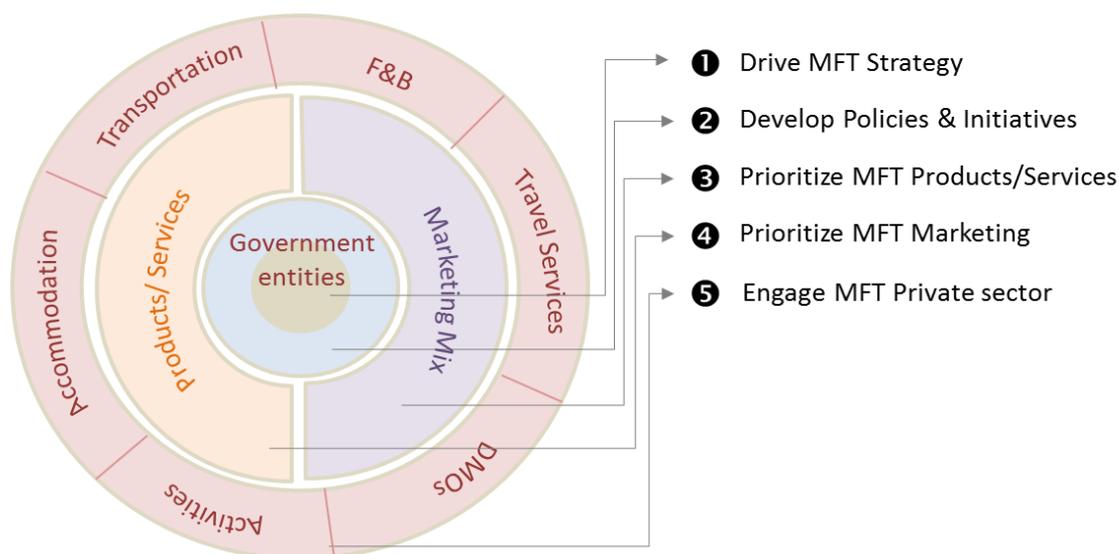
³³⁰ Ibid

³³¹ "Muslim-Friendly Beach Resorts: Opportunities and Trends", Salaam Gateway and DinarStandard, January 2016

6 Policy Recommendations

For OIC member countries, a 5-step structured set of recommendations is presented below. This is aimed to provide practical recommendations to facilitate an effective national MFT strategy, related policies, products and services priorities, marketing priorities, and recommendations for tourism private-sector key player types.

Figure 19: 5-Step Policy Recommendations Framework



The following policy recommendations are presented for majority of OIC countries who are currently in the 'Progressing' category as presented in Section #5, Gap Analysis and Opportunity Insights. Specific recommendations for 'Mature Markets' and 'new markets' are noted when distinctly applicable.

6.1 Driving MFT Strategy

In order to successfully apply a sustained and high impact MFT products and marketing strategy in a country, a Government led national MFT strategy (minimal to robust) needs to be developed that links to overall tourism goals for the country. Following are three key steps in developing and deploying a national MFT strategy:

- 1. Build internal stakeholder awareness:** For most OIC countries, a strong business case will need to be established internally within the Government tourism stakeholders to create a focus on the MFT market and invest resources and effort. The data sets of the Muslim consumer markets' strong interest in Muslim-friendly travel as presented in this Study's early sections, as well as COMCEC's first report "Muslim Friendly Tourism: Understanding the Demand and Supply Sides in the OIC Member Countries" should be leveraged to prepare a national MFT business case presentation and document. The MFT market presents a clear growth strategy area for OIC countries and this needs to be

articulated within the Government tourism agency to build and support a MFT market strategy initiative. Initial local tourism industry champions and supporters should also be identified and engaged.

2. **Establish a dedicated MFT body/committee:** As is evident by leading MFT markets, a dedicated national body needs to be established to ensure a sustained and coordinated realization of becoming an attractive MFT market and to realize real tourism growth through it. For countries in early phase of evaluating this opportunity, a 1-2 year working committee can be established to build momentum before committing to a dedicated government MFT body.
3. **Develop and drive MFT market growth strategy:** The dedicated government initiated body or committee should develop and drive a national MFT products/services and marketing development strategy and initiatives. Key elements of the strategy should include:
 - a. In coordination with national tourism body, set MFT tourism growth targets as part of national tourism growth targets
 - b. Identify and prioritize domestic destinations for MFT market
 - c. Identify and prioritize source MFT market and prepare a MFT market profile based on this prioritization
 - d. Plan and facilitate MFT products and services development for the industry (See recommendation #3)
 - e. Plan and facilitate MFT marketing strategy development for the industry (See recommendation #4)
 - f. Engage with key tourism sub-sectors on effective products/services and marketing strategies (See recommendation #5)

6.2 Developing Public Policies and Support Initiatives

Government led key MFT policies and initiatives are needed to facilitate effective MFT product/services development and growth. Following are key Government led policies and initiatives recommendations around five key areas:

1. Government policies:

MFT 'Progressing' and 'New Market' OIC Countries

- **Halal food and travel services compliance ecosystem:** Given the criticality of Halal food services credibility for Muslim tourists, the foremost priority for 'Progressing' and 'New Market' OIC countries should be to ensure a clear Halal food compliance communication exists for Muslim tourists. To this goal, the Ministry or designated body should coordinate with the national food certification and accreditation bodies to oversee the state of Halal food compliance across its food services value-chain and drive recommendations.

In addition, given that Halal rating and certification services for hotels and restaurants was the top new service needs selected by this study's survey respondents, Government entities should look to adopt Halal travel standards and

rating schemes being developed out of governmental entities such as Malaysia, SMIIC, and private entities such as CrescentRating and TripFez' Salam Standard to adopt.

- Collecting statistical data on the MFT market: Collecting data on Muslim tourist arrivals and receipts is a valuable way to encourage business to cater to the MFT market when the numbers are already attractive. It also provides governments with a benchmark against which to set future targets. Additionally, governments can collect data on the number of MFT establishments, such as hotels and restaurants, in each city and region to measure health of the ecosystem as well as identify gaps.

MFT 'Mature Markets' OIC Countries

- Strengthen Halal food and travel services compliance ecosystem: Strengthen Halal food and travel services compliance and communication and address any gaps identified earlier.
- Subsidies: MFT 'Mature Markets' can further strengthen their support through subsidies for local service providers to serve the needs of Muslim tourists, for example by facilitating proper Halal certification, etc.
- Easing Visa Policy: OIC destinations should ease visa policies for targeted Muslim traveler source countries. For example, Japan established visa-free travel from countries of the Association of Southeast Asian Nations (ASEAN).

2. **Government-led destination marketing**: A key means to kick-start and build momentum of successful MFT product/service development and marketing will be to seed and support marketing programs.

MFT 'Progressing' OIC Countries

- MFT Branding and positioning that local suppliers can leverage: The national tourism body should develop an MFT branding and positioning for the local service providers and suppliers to leverage. Given the challenges in best positioning the Muslim-friendly tourism market, an 'inclusive' and 'authentic' positioning should be developed³³².
- Seed marketing campaigns: Facilitate testing Muslim travel market potential by funding short-term, target Muslim source market marketing campaigns and monitor actual growth in Muslim tourist traffic based on the campaigns.

MFT 'Mature Markets' OIC Countries

Building on above mentioned areas, MFT 'Mature Markets' from OIC countries can further strengthen MFT market product and marketing development as follows:

³³² DinarStandard Presentation: "Effective Communication to Promote Islamic Tourism," The 1st OIC International Forum on Islamic Tourism, June 3rd, 2014, Jakarta, Indonesia

- Launch MFT related innovative programs: Propose and support the development of innovative and creative MFT products and services initiatives to build and strengthen MFT market credentials. An example would be a month long or a week long Muslim lifestyle festival that would encompass modest fashion retailer promotions/ show, Halal/ Islamic heritage cuisine, Nasheed shows, and MFT themed theater.
- Joint promotions with airlines: As highlighted in the Opportunities section, marketing partnership with local and international airlines targeting key Muslim traveler source markets can be considered to build momentum and develop the Muslim travel market.
- Aggregated promotions: Facilitate coordination among MFT interested industry players to develop and promote a common online marketing platform with promotional offers.

3. Bilateral cooperation:

MFT 'Progressing' and 'New Market' OIC Countries

The Malaysian and Indonesian governments have cooperated in technical knowledge exchange in the area of MFT as well as in jointly promoting their destinations. Other OIC countries that are in close proximity should similarly consider bilateral cooperation.

MFT 'Mature Markets' OIC Countries

An area of bilateral cross-promotion for MFT 'Mature Markets' would be to develop longer term initiatives such as 'Partner City' program or a 'student exchange' program with MFT credentials as a focus.

'Mature Markets' should mentor 'new markets' and provide technical expertise on how to best cater to the MFT market as well as how to develop successful promotions.

4. Global cooperation:

MFT 'Progressing' and 'New Market' OIC Countries

Besides bilateral opportunities, a variety of multi-lateral global platforms should be engaged with to develop the countries MFT market. Specifically:

- Engage in Halal related standards development global platform: The Standards and Metrology Institute for the Islamic Countries (SMIIC) is developing standards across the OIC markets that include standards for Halal travel compliance. Active participation in this forum would allow for knowledge exchange as well as influencing the development of such standards.
- 'Islamic economy' global events engagement: Participating and representing MFT market development at international 'Islamic economy' forums such as the World Islamic Economic Forum, Global Islamic Economy Summit, World Halal Forum, World Halal Travel Summit, etc.

MFT 'Mature Markets' OIC Countries

- Develop Body to advocate for Muslim traveler rights: In addition to strengthening above two areas of global engagement, MFT 'Mature Markets' should consider addressing the growing challenge of western destination based 'Islamophobia' affecting Muslim travelers world-wide.³³³ This includes Muslim travelers from OIC countries going to western destinations for travel. MFT 'Mature Markets' should support establishment of a body to combat Islamophobia by proactively addressing these challenges.³³⁴

5. SME Support:

Given the key gaps and opportunity areas for the MFT travel sector is training tourism suppliers, facilitating Halal certification, providing subsidies to SME's and establishing an online reference that includes useful tools for tourism suppliers are mechanism to encourage and develop.

- Facilitate Halal certification: Governments should facilitate for small and medium enterprises to obtain Halal certification by both providing training and subsidizing certification or even by providing certification free of charge as in the case of Indonesia providing free Halal certifications for 750 small and medium enterprises.
- Training tourism suppliers: Tourism ministries in OIC countries are well advised to establish on-going training programs to train the industry on tailoring their products and services to the MFT market as well as on effectively marketing their products and services. The training programs should be designed to address the gaps.
- Establish a mentorship program: Another way to develop the skills and expertise of tourism suppliers is by pairing each of them with a mentor. The mentor can be either from the same country or another OIC country with which there is bilateral cooperation.
- Providing subsidies: As discussed under government policies, the government should provide subsidies to support small and medium business enterprises in obtaining Halal certification.

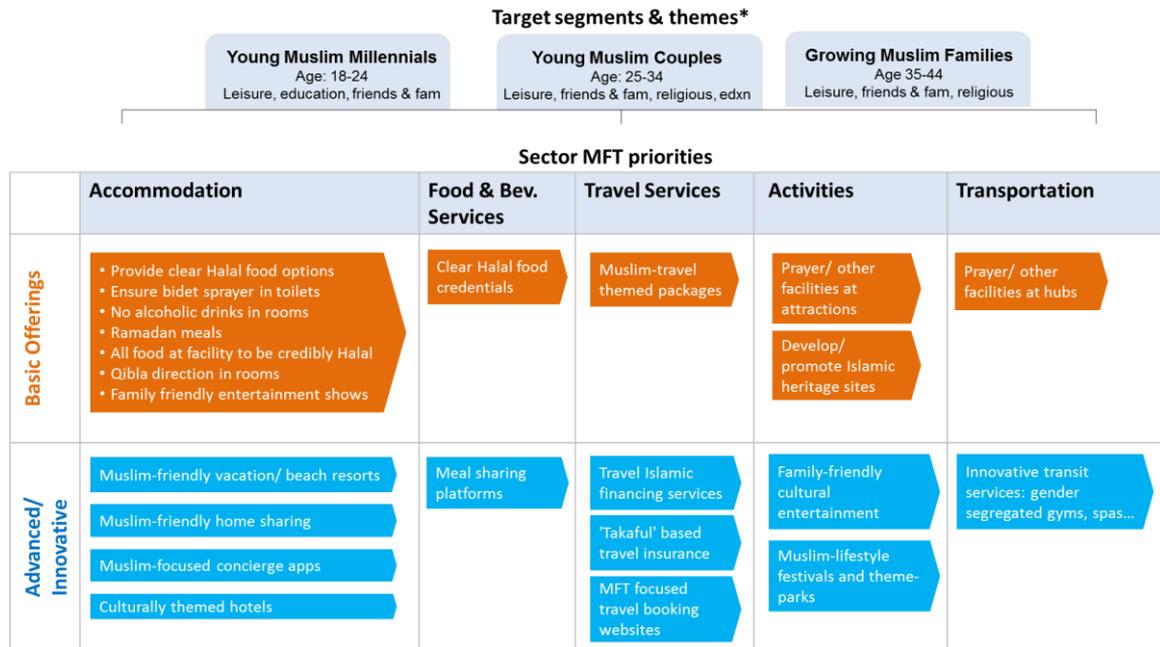
³³³ Revesz, Rachael. "Muslim woman kicked off plane as flight attendant said she 'did not feel comfortable' with the passenger." The Independent. 15 Apr. 2016. Web.

³³⁴ The idea of establishing a steering body to combat Islamophobia and advocate for Muslim rights was proposed by Tariq Mahmood of Andalusian Routes at the Halal Travel Conference 2016 on May 3-5 in Konya, Turkey.

6.3 MFT – Products and Services Strategy Priorities

Based on this study’s extensive consumer survey, industry interviews, global MFT and general travel market best practices, below are the recommended MFT market products and services strategy priorities for OIC destinations:

Figure 20: Recommended MFT products and services priorities



1. Customer segment and themes prioritization:

Products and services for the Muslim-friendly tourism market are being shaped by the unique Muslim travel market demographics and travel purpose/ motivation segments. Based on this study’s research, and the customer segmentation opportunity analysis presented in the Section #5, three priority Muslim traveler profiles are presented to focus on for product and services development:

Profile #1: Young Muslim Millennials

- Age-group: 18-24
- Family life-stage: Single
- Income levels: Middle-class
- Geographic key source markets: MENA-GCC, MENA-Other, East Asia, West, Central Asia
- Traveling with: Friends and/or family
- Key purpose of travel:
 - Leisure – Sight-seeing focused
 - Leisure – Heritage focused
 - Leisure – Experiential (adventure/ voluntourism)

- Education focused
- Friends and Family focused

Profile #2: Young Muslim Couples

- Age-group: 25-34
- Family life-stage: Married w/ no kids or newly married
- Income levels: Middle-class to Upper-class
- Geographic key source markets: MENA-GCC, MENA-Other, East Asia, West, Central Asia
- Traveling with: As a couple
- Key purpose of travel:
 - Leisure – Sight-seeing/ shopping focused
 - Leisure – Beach focused
 - Leisure – Heritage focused
 - Leisure – Experiential (adventure/ voluntourism)
 - Friends and Family focused
 - Religious focused
 - Education focused

Profile #3: Growing Muslim families

- Age-group: 35-44
- Family life-stage: Married with kids
- Income levels: Middle-class to Upper-class
- Geographic key source markets: MENA-GCC, MENA-Other, East Asia, West, Central Asia
- Traveling with: Family
- Key purpose of travel:
 - Leisure – Sight-seeing/ shopping focused
 - Leisure – Beach focused
 - Leisure – Heritage focused
 - Friends and Family focused
 - Religious focused

2. **Accommodation sector MFT product/service prioritization:** The core sector that needs to be developed for MFT products/ services is 'Accommodations.' Based on the analysis of the study's research findings, below are key product development recommendations:

MFT 'Progressing' and 'New Markets' OIC Countries

- **Prioritized MFT services at hotels:** Based on this study's research all accommodation venues (3-start to 5-star) in OIC countries should provide the following services (in order of priority per Study survey):
 1. Provide clear Halal food options
 2. Ensure bidet sprayer in toilets
 3. No alcoholic drinks in rooms
 4. Serving suhoor and iftaar during Ramadan

5. All food at facility to be credibly Halal
6. Qibla direction in rooms
7. Family friendly entertainment shows

MFT 'Mature Markets' OIC Countries

In addition to strengthening above MFT services, MFT 'Mature Markets' should look to support develop following accommodation services:

- **Vacation resorts and beach resorts:** Muslim-friendly travel needs at beach and other vacation resorts for the Muslim friendly travel market.
 - **Muslim-friendly home sharing:** Similar to Airbnb, HomeAway and other home sharing platforms, there is an opportunity to develop a platform focused on sharing homes that accommodate the needs of Muslim guests. The homes would be either owned by Muslims or by owners who have been trained on the requirements of Muslim guests. The homes should include prayer mats, indicate the direction of the Qibla and be free of alcohol. Hosts should be able to inform guests of the location of the closest mosque as well as of Halal restaurants in the area, as well as point out any Muslim heritage sites. BookHalalHomes.com is a newly launched Muslim-focused home sharing platform. However, in order for it – as well as others – to succeed, the platform needs to include a large inventory of homes available globally to Muslim tourists, as well as ensure the standardization of services offered.
 - **Muslim-focused concierge apps:** Many hotels offer their guests concierge apps that include useful information and tips, and in some instances incorporate customer service capabilities of answering guest questions. For example, Marriott offers customized tips to its Chinese guests via WeChat. There is an opportunity for hotels to develop apps tailored to their Muslim guests that provide information on prayer times, nearby mosques, any Halal food services offered at the hotel, as well as a list of Halal food restaurants in the area. It would also provide information on nearby heritage sites. This app would allow mainstream hotels to discreetly accommodate the needs of its Muslim guests and make them feel welcomed without alienating other guests.
 - **Culturally themed hotels:** Similar to the aboriginal-themed hotel in Vancouver, there is an opportunity for hotels to differentiate themselves by focusing on Islamic themes. For example, a hotel in Spain could feature Andalusian-themed Islamic architecture and feature Islamic art. One example of a Muslim-friendly culturally themed hotel is Shaza Hotels in the GCC, which features an Arabian theme and focuses on Arabian hospitality as a differentiating element.
3. **Food and Beverage sector MFT product/service prioritization:** Based on the analysis of the study's research findings, below are key product development prioritization recommendations for 'Food services' sector:

MFT 'Progressing' and 'New Markets' OIC Countries

- **Clear 'Halal' food credentials for food service venues (restaurants):** Given the very strong preference from the Study's survey on the need for Halal food options at destination restaurants/food chains (96% saying it is 'important', and 71% saying it is 'extremely important.') it is important that for the OIC destination food services the 'Halal' food credentials are made clear. This means ensuring that the countries 'Halal' food compliance/ certification process is clearly adopted and communicated to its customers (e.g. through posted certificate, similar to other health quality/ business notices.)

MFT 'Mature Markets' OIC Countries

- **Experience local food hospitality:** In addition to strengthening 'Halal' food credentials of food service venues, MFT 'Mature Markets' can explore innovative services of 'local food hospitality.' Similar to 'Eat With' and other meal sharing platforms, where guests eat a meal at a local person's home, along with other guests, there is an opportunity to develop a version tailored for Muslims. The Muslim-focused meal sharing platform would have Muslim hosts who offer Halal food and do not serve alcohol, as well as non-Muslim hosts who are trained to accommodate the needs of Muslim guests.
- **'Halal' food online reviews:** In some OIC markets where there is a mix of Halal versus non-Halal food and beverage options available (e.g. in Turkey, Malaysia, and others) digital 'Halal' certified food services reviews should be made valuable for Muslim travelers. These should be supported by governmental tourism promotion and communication services. Zabihah.com is an example of a US-based Halal restaurant rating and review site.

4. **Travel Services sector MFT product/service prioritization:** Based on the analysis of the study's research findings, below are key product development prioritization recommendations for 'Travel Agents/Services' sector:

MFT 'Progressing' and 'New Markets' OIC Countries

- **Providing select 'Muslim-travel' themed packages:** Survey respondents indicated that they were strongly interested in themed trips such as heritage experiences and adventure travel. Travel agencies serving the MFT market would do well to focus on specific products and target market. The customer segmentation profiles prioritized earlier serve as a good means to develop custom offerings.

MFT 'Mature Markets' OIC Countries

- **Travel financing services:** It is common practice for travel agencies and hotels in Turkey to offer financing to domestic tourists. This eases the burden of middle class families from having to pay a large amount at one time and thus encourages more domestic travel. This is most applicable for domestic tourism and should be considered by MFT 'mature market' country-based travel agencies in coordination with domestic Islamic financial institutions.

- **‘Takaful’ based travel insurance services:** With the increased awareness of sharia-compliant financing and insurance, sharia-compliant travel insurance products are expected to provide an area of new offerings for travelers. These offerings can be encouraged to be provided for ‘Halal’ focused travel booking websites or travel agencies.
 - **MFT focused global travel booking websites:** There is an opportunity for MFT ‘Mature Market’ countries to develop Halal-focused online travel agencies (OTAs) to take the Muslim share of mainstream OTAs such as Expedia and Agoda by developing strong global brands.
5. **Activities sector MFT product/service prioritization:** Based on the analysis of the study’s research findings, below are key product development prioritization recommendations for the ‘Activities’ sector:

MFT ‘Progressing’ and ‘New Markets’ OIC Countries

- **Prioritize MFT services at attractions/ shopping malls:** Based on this study’s research all attraction/ shopping venues should provide quality ‘prayer service/ facilities’.
- **Develop and promote Islamic heritage sites:** Islamic heritage sites are an important attraction to many Muslim travelers. OIC countries should develop the infrastructure and services offered at the sites as well as heavily promote them to Muslim travelers. This includes training of tour guides on Islamic heritage sites.

MFT ‘Mature Markets’ OIC Countries

- **Develop family-friendly cultural entertainment:** Indonesia plans to work with choreographers to improve cultural performances. Other OIC countries should focus on enhancing their folklore-based entertainment and adapt it so it is Muslim-friendly.
- **Branded Muslim-lifestyle festivals and theme-parks:** Islamic themed attractions (e.g. Islamic Botanical Garden in Sharjah UAE, or Islamic museums, or parks) are being developed in UAE, Malaysia and other OIC countries. In Kuwait, an Islamic heritage inspired comic-characters based theme park has been launched. There is room for more creative ‘attraction’ products to be developed. As mentioned earlier, an example would be a month long or a week long Muslim lifestyle festival that would encompass modest fashion retailer promotions/ show, Halal/ Islamic heritage cuisine, Nasheed shows, and MFT themed theater.

6. **Transportation sector MFT product/service prioritization:** Based on the analysis of the study’s research findings, below are key product development prioritization recommendations for the ‘Transportation’ sector:

MFT ‘Progressing’ and ‘New Market’ OIC Countries

- **Prioritized MFT services at transportation venues:** Based on this study’s research all major tourist transportation venues such as airports, railway and bus

stations provide quality ‘prayer service/ facilities,’ ‘bidet spray in toilets,’ as well as credible ‘Halal’ food services.

MFT ‘Mature Markets’ OIC Countries

- **Innovative transit services:** Beyond offering Halal food options and prayer spaces, airports should consider other innovative offerings that are in line with the trend of the airport as a destination, while at the same time accommodating Muslim needs. For example, airports should consider offering gender segregated gyms, spa services and sleeping pods.

6.4 MFT – Marketing Strategy Priorities

Based on this reports extensive consumer survey, industry interviews, global MFT and general travel marketing best practices, below are the recommended MFT marketing strategy priorities for OIC destinations:

Figure 21: Recommended MFT marketing priorities

	Promotion	Distribution	Pricing
Basics	General digital promotions	MFT travel booking websites/ apps	Competitive pricing
	Friends and Family referral/ recommendation promotions	Agencies MFT Package distribution	
	MFT credentials on online reviews, travel website listings		
	Familiarization Trips (FAM Trips)		
	Integrated campaigns		
Advanced/ Innovative	Cross-promotion with other ‘Halal’ lifestyle sectors	Specialized MFT Agencies	Premium priced services
	Visitor Guides		
	Influencer campaigns		
	Virtual Reality		
	Cluster marketing		

1. **MFT market promotion activity prioritization:** Based on the analysis of the study’s research findings, below are key promotion mix prioritization areas for MFT services:

MFT ‘Progressing’ and ‘New Markets’ OIC Countries

General digital promotions: Given the prominence of ‘online promotions’ and ‘social media,’ as highlighted by the Study survey, it is critical to develop a very strong digital promotions strategy and activities to effectively promote MFT services. Digital promotions can include social media contests. For example in Ramadan of 2016, the Islamic Tourism Center of Malaysia (ITC) launched an Instagram competition that invited their followers to post a Ramadan-related photo

along with a creative caption using the hashtag #ITCRAMADANSYAWAL for a chance to win a 3-day vacation in Langkawi.

For 'social media' promotion, best practices should be incorporated to develop targeted two-way and engaging conversation with target source market audiences. This means creating interesting content (e.g. live broadcast or sharing of events) sometimes in source market languages and engaging the audiences. The key social media platforms of Facebook, Twitter, Instagram, Pinterest, Snapchat and others should be considered.

Search engine optimization for MFT services for websites and mobile apps would be a key basic priority.

Vblogging (video blogging) has gained popularity as a way of engaging with your audience and keeping your product or service top of mind by producing videos that provide tips and useful information.

- **Friends and Family referral/recommendation promotions:** Given that the top influencer in choice of destination was 'Friends and Family' recommendation/referral (67% of survey respondents) this should be capitalized on in promotions. For example, suppliers should encourage post-purchase social media sharing by offering rewards or a contest. Travelers can also be incentivized to share their experiences with friends and family by providing future discounts or value added products and services.
- **MFT credentials on online reviews, travel website listings:** Given that 'online reviews' was second biggest influencer in choice of destination (28% of survey respondents) and given that a big majority (72% of respondents) said they researched 'Travel websites' to check if destinations satisfy their religious needs, it is critical for MFT service providers to highlight their MFT credentials on Halal specific as well as mainstream travel booking, information or review websites or mobile apps. Suppliers should encourage posting reviews on MFT booking websites such as HalalBooking.com. Additionally, MFT reviews and curated content should be featured on mainstream travel sites such as Booking.com, Agoda, and TripAdvisor. For example, TripAdvisor features special interest lists like 'Best for honeymooners', similarly mainstream travel sites could also feature curated content under the category 'Best for MFT'.
- **Familiarization Trips (FAM Trips):** Many OIC countries conduct FAM trips to which they invite travel agencies and media representatives from their targeted source countries. OIC countries should conduct MFT credential focused FAM trips.
- **Integrated campaigns:** While Muslim travel brands do conduct campaigns across social media platforms, there is a potential to seamlessly integrate offline and online campaigns to develop innovative, engaging and fully integrated campaigns. This should be coordinated with public-private MFT market promotion campaigns.

MFT 'Mature Market' OIC Countries

- **Cross-promotion with other 'Halal' lifestyle sectors:** MFT 'Mature Markets' should leverage the wider global 'Halal' economy ecosystem sectors of Islamic finance companies, Halal food, Modest fashion, and Muslim-market media brands

for cross-promotion in target travel source markets. An example would be a credible MFT beach resort running a promotional campaign with a 'modest fashion' or 'Islamic retail bank' brand. Recently, *MasterCard's* sharia-compliant consumer financing cards in Indonesia and Malaysia have added special deals on Halal tourism resorts and Halal certified restaurants in regional travel destinations as a special service to their clients.

- **Visitor Guides:** Both printed and online Muslim-friendly visitor guides have been launched by many OIC countries. This should be adopted by all countries. In addition to listings of Halal restaurants, mosques and Islamic heritage sites, the guides should include general information on all main tourist attractions.
- **Virtual Reality:** A digital advertising platform which is expected to boom within the next few years is virtual reality. Travel companies would be wise to start investing in this new technology now. Companies such as Thomas Cook saw a 190% increase in booking when potential customers experienced a virtual reality glimpse of their destination.
- **Influencer campaigns:** Celebrity endorsements and influencer campaigns are widely used in mainstream travel marketing. There are also some examples of working with influencers to promote a destination, such as in Spain, working with celebrities from Malaysia to promote Spain as a Muslim-friendly destination. However, the full potential of working with social media influencers focused on the Muslim market, has not been realized. There are currently only a few bloggers and social media influencers focused on Muslim-travel; however Muslim travel brands are advised to work with influencers from other Muslim lifestyle sectors that target the same audiences.

For example, there is a huge overlap between travel and food; therefore working with Halal food bloggers and social media influencers is advised. Another Muslim lifestyle sector that is abundant with bloggers, vbloggers and social media influencers is Islamic fashion. Fashion influencers tend to have loyal and engaged followers; travel brands should look into working with fashion bloggers that target a similar audience.

- **Cluster Marketing:** Instead of disjointed efforts by local suppliers to market their MFT offerings, local small and medium businesses would have a common brand that allows them to consolidate their marketing efforts. Examples of existing cluster marketing include the unified Thailand Diamond Halal brand under which Thai small businesses market themselves. Another example from Thailand is the Krabi SME business club that conducts unified marketing. A Halal cluster is also being developed in Cordoba city under the leadership of Instituto Halal.
2. **MFT services distribution prioritization:** Given that the most important channels for booking of accommodation services by Muslim travelers were 'Travel websites' (55% of respondents), 'Travel agencies' (22%), and 'Hotels directly' (15%), below are key 'distribution' strategy prioritization for MFT services:

- **Mainstream and MFT focused travel booking websites/apps:** It is important that all MFT services are highlighted with their MFT credentials on both mainstream (e.g. Booking.com, Trivago.com etc.) and MFT specific travel booking platforms (e.g. Halalbooking.com, HalalTrip.com, etc. There is an opportunity for MFT online travel agencies to develop stronger awareness among consumers to shift distribution habits in favor of MFT OTAs.
 - **Traditional travel agencies:** Prominent traditional travel agencies serving major Muslim travel source markets should be engaged for distribution of MFT products and services. HalalTravelWarehouse.com, LuxuryHalalTravel.com and others coming to market are digital travel agencies that would also be good platforms for MFT product/ services distribution.
3. **MFT services pricing strategy prioritization:** Based on the analysis of the study's research findings, below are key 'pricing' strategy prioritization for MFT services:
- **Competitive pricing:** The consumer survey indicated that 'cost' is the most important element in destination selection, therefore industry players need to maintain competitive pricing and provide value. This means making a hotel/resort fully 'Muslim-friendly, i.e. Halal needs to maintain competitive pricing and not expect to raise prices for lost revenue from non-Halal services (e.g. alcohol in some markets such as Turkey.) In the case on Turkish beach resorts who have converted to 'Halal' they have now shown sustained high occupancy and revenue growth giving confidence that MFT focused products are competitively profitable³³⁵.

There is an exception to competitive pricing in the case of upper income customers, many of which are from GCC countries. For these customer segments, customers are willing to pay more for a high end product and service. Another exception is when demand exceeds supply as in the case of high seasons and especially within certain products such as Turkish beach resorts.

- **Cautious premium pricing:** A paradox in the survey findings is that while respondents seek 'cost' as the top travel destination decision criteria, 74% of survey respondents indicated they are willing to pay more to receive products and services tailored to their religious needs. Respondents suggested that suppliers may charge 5 to 10 percent higher prices for products and services that are highly tailored to meet Muslim traveler needs. This response needs to be tested as the Study has not evaluated cases of premium priced MFT products/ services. There seems to be an opportunity for premium pricing, especially of value-added and premium products, but this needs to be tested. Again this will be a function of supply/ demand. Hajj and Umrah accommodation rates are highly premium priced compared to market average but this also reflects the strong demand for the core Islamic Hajj/Umrah travel segment.

³³⁵ "Muslim-Friendly Beach Resorts: Opportunities and Trends." Salaam Gateway/ DinarStandard. January 2016.

6.5 MFT – Private Sector Recommendations by Supplier Type

With the above presented MFT product/ services and marketing prioritization recommendations, below is a summary recommendation for each private sector supplier type in OIC destinations:

1. **Coordination with national MFT initiative:** Each of the private sector supplier type should coordinate and engage with national Tourism Ministry led MFT initiative to benefit from the latest market trends, research and insights that has been gathered on the MFT global opportunity.

They should also assist in developing or benefiting from the national MFT strategy to determine target MFT customer segmentation, market prioritization, and leverage any supporting MFT marketing initiatives being offered to benefit from this opportunity.

2. **Accommodation sector recommendations:**

- **Product/ services development:** Evaluate the MFT customer profiles provided in Section 8.3 under “Customer segment and themes prioritization” to determine the best customer segments and value proposition for the MFT market. A clear and credible MFT market proposition, potential financial impact and positioning should be identified.

Subsequently, address prioritized MFT accommodation services as highlighted in section 8.3 under “Accommodation sector MFT product/service prioritization.”

- **Marketing strategy:** Based on the customer segments and value proposition identified, a targeted marketing strategy should be developed as follows:
 - a. Promotion mix should prioritize general digital promotion, friends and family referral promotions, online review, travel website listings coordinated as an integrated campaign. In mature MFT markets, cross promotion with other ‘Halal’ lifestyle sectors, visitor guide development, influencer marketing, and collaborative cluster marketing should be considered. (See further in section 8.3 under “MFT market promotion activity prioritization.”)
 - b. Distribution strategy should prioritize listing accommodations in mainstream and MFT focused travel booking websites / apps by referencing the accommodation’s MFT credentials as well. In addition, key traditional travel agencies should be identified from target MFT source markets for product listing as well.
 - c. Market competitive pricing strategy has to be maintained given the strong criteria of ‘cost’ factor in selection travel for Muslim travellers. However, some exceptions exist. (See further in section 8.3 under “MFT services pricing strategy prioritization.”)

3. **Food services sector recommendations:**

- **Product/ services development:** Food service companies should address having clear ‘Halal food’ credentials as their main priority to address and attract the

Muslim travel market. Restaurant online profiles/ reviews should highlight promote Halal credentials as well as any special services such as Ramadan meals. (See further in section 8.3 under “Food and Beverage sector MFT product/service prioritization.”)

- **Marketing strategy:** Food service companies should extend their market to engage the MFT market as follows:
 - a. Promotion mix should prioritize general digital promotion, friends and family referral promotions, online reviews, travel website listings. In mature MFT markets, cross promotion with other ‘Halal’ lifestyle sectors, visitor guide development, influencer marketing, and collaborative cluster marketing should be considered. (See further in section 8.3 under “MFT market promotion activity prioritization.”)
 - b. Distribution strategy should prioritize listing food service offerings in mainstream and MFT focused food ordering or restaurant listing websites / apps by referencing the Halal food credentials. (See further in section 8.3 under “MFT services distribution prioritization.”)
 - c. Market competitive pricing strategy has to be maintained given the strong criteria of ‘cost’ factor in selection travel for Muslim travelers. However, premium Muslim traveler customer segments are also strong opportunities. (See further in section 8.3 under “MFT services pricing strategy prioritization.”)

4. **Travel agencies/services sector recommendations:**

- **Product/ services development:** Travel services companies should look to develop / offer ‘Muslim-friendly tourism’ themed travel packages as their main priority to address and attract the Muslim travel market. Additional services such as travel financing or sharia-compliant travel insurance services should also be considered. (See further in section 8.3 under “Travel services sector MFT product/service prioritization.”)
- **Marketing strategy:** Travel services companies should consider following key MFT marketing strategies:
 - a. Promotion mix should prioritize general digital promotion, friends and family referral promotions, online reviews, travel website listings. In mature MFT markets, cross promotion with other ‘Halal’ lifestyle sectors, visitor guide development, and influencer marketing should be considered. (See further in section 8.3 under “MFT market promotion activity prioritization.”)
 - b. Distribution strategy should prioritize profiling travel services in mainstream and MFT focused travel websites / apps by referencing the MFT credentials. (See further in section 8.3 under “MFT services distribution prioritization.”)
 - c. Market competitive pricing strategy has to be maintained given the strong criteria of ‘cost’ factor in selection travel for Muslim travelers. However,

premium Muslim traveler customer segments are also strong opportunities. (See further in section 8.3 under “MFT services pricing strategy prioritization.”)

5. **Destination Marketing Organization (DMO) recommendations:**

- **Product/ services development:** DMOs should enhance the management and preservation of Muslim cultural heritage sites and heavily promote them as part of promoting their destination as a MFT destination. They should coordinate and facilitate major tourist food service companies, attraction/ shopping venues, accommodation services, and travel services to address MFT service’s needs. (See further in section 8.3)
- **Marketing strategy:** DMO’s should coordinate closely with the national MFT initiative to support the government led MFT strategy and implementation initiatives. (See further in section 8.2 under “Government-led destination marketing”.)

6. **Transportation sector recommendations:**

- **Product/ services development:** Address prioritized MFT services for tourist transportation venues of airports, railway and bus stations providing quality ‘prayer service/ facilities,’ ‘bidet spray in toilets,’ as well as credible ‘Halal’ food services. For MFT ‘Mature Markets’, address innovative Muslim-friendly transit services (See further in section 8.3.)
- **Marketing strategy:** Transportation services organizations should promote to engage the MFT market as well, as it will build good will and support the wider traffic growth for them. While not all promotional mix tools would apply to transportation transit facilities, they should prioritize general digital promotion, friends and family referrals, online reviews, travel website listings. They should also prominently highlight with signage available MFT services (See further in section 8.3 under “MFT market promotion activity prioritization.”)



7 Appendix

Interviewee List

Egypt

Mr. Sayed El Damanhoury, Chairman of Oriental Tours.

Indonesia

Riyanto Sofyan, Chairman of PT Sofyan Hotels.

Japan

Mr. Mohamad Zubair, Chairman of International Islamic Halal Organization.

Malaysia

Zaid Jamaluddin, Marketing and Communications Manager of PNB Perdana on the Park.

Abdul Wahid Ibat, Assistant Manager of Islamic Arts Museum Malaysia (IAMM).

Zulkifly Said, Director General of Islamic Tourism Center (ITC).

Rafeah Ariffin, Senior General Manager, KPJ Healthcare.

Noriah Ramli, Assistant Professor, Kulliyah of Law, International Islamic University Malaysia (IIUM).

Spain

Tomas Guerrero, Halal International Tourism.

Bashir Castiñeira, Director of the Mosque of Granada and Ibn Battuta tours.

Mariam Isabel Romero, Director of Instituto Halal.

Ibrahim Hernandez, Vice President of the Seviles Mosque Foundation.

Tariq Mahmood, Andalucian Routes.

Flora Sáez, Director of Development of Nur and Duha Travels.

Abu Qasim Molinero, Owner of Cuna45 coffee shop.

Hisham Melara, Director of Visit al Andalus.

Thailand

Nattapat Kittayapison, Director of Sales of Atoning Princeville Resort and Spa.

Imtiaz Muqbil, Executive Editor of Travel Impact Newswire.

Turkey

Muhammet Özhan Gündüz, Halal Certification Manager of Turkish Standards Institute.

Akın Arıkan, Director of Planning and Product Development of Tura Tourism Holding.

Zerrin Aydın Pekacar, Contract Manager of Halalinn.com.

Mehmet Çulhaoğlu, Vice General Manager of Hisar Travel.

Necip Fuat Ersoy, Business Development and Sales and Marketing Director of IC Hotels.

Dilek Çağla Üner, Sales and Marketing Chief of Bera Alanya Hotel.

Kemal Tozlu, Ex Consultant to Adenya Hotels.

United Kingdom

Nabeel Shariff, Founder and Director, Serendipity Tailormade and Luxury Halal Travel