Muslim Friendly Tourism (MFT): Regulating Accommodation Establishments in the OIC Member Countries

Presented by:

DinarStandard

Presented at:

COMCEC 9th Working Group

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Outline

1. Research Methodology
2. Conventional Tourism Quality Regulations
3. Muslim Friendly Tourism Regulations
4. MFT Regulation Case Studies
5. Guidelines for Regulating Accommodation Establishments
6. Policy Recommendations

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Research Methodology

Secondary Research

- Market Studies
- Trade and Sector Reports
- Academic Articles and Research Papers
- Government Data
- International Organizations Publications
- Press Publications

Primary Research

- Global Consumer Survey – 514 responses from 44 countries
- Accommodation Sector Survey – 163 responses from 30 countries
- Government Officials Interviews – 8 online interviews
- 3 Country Case Studies

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Key Research Questions

What is the demand of MFT & the supply of MFT accommodation?

What notable conventional standards exist and what can we learn from them?

What accommodation standards are needed for Muslim travelers?

What successful MFT standards are available in the market?

Which services need to be covered in MFT accommodation guidelines?

What policy recommendations can be implemented by OIC governments?

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Approaches to conventional quality ratings are diverse

Quality Rating System	Standard Setter	Standards	Certification and Auditing
National hotel star rating systems (e.g., AA, Egypt NN)	Government hospitality-related agency/ National associations	Quality (attribute, feature) focus; Typically published	Yes
Global online rating systems (e.g., TripAdvisor)	Online booking or review sites	Quality and experience focus; Details n/a	No (continuous reviews)
Regional star rating systems (e.g., Hotelstars)	Regional tourism associations	Quality (attribute, feature) focus; Typically published	Yes
Alternative specialized ratings (e.g. environmental, ISO 14001)	Industry bodies / Private operators	Alternative (e.g., environment) focus; Typically published	Yes

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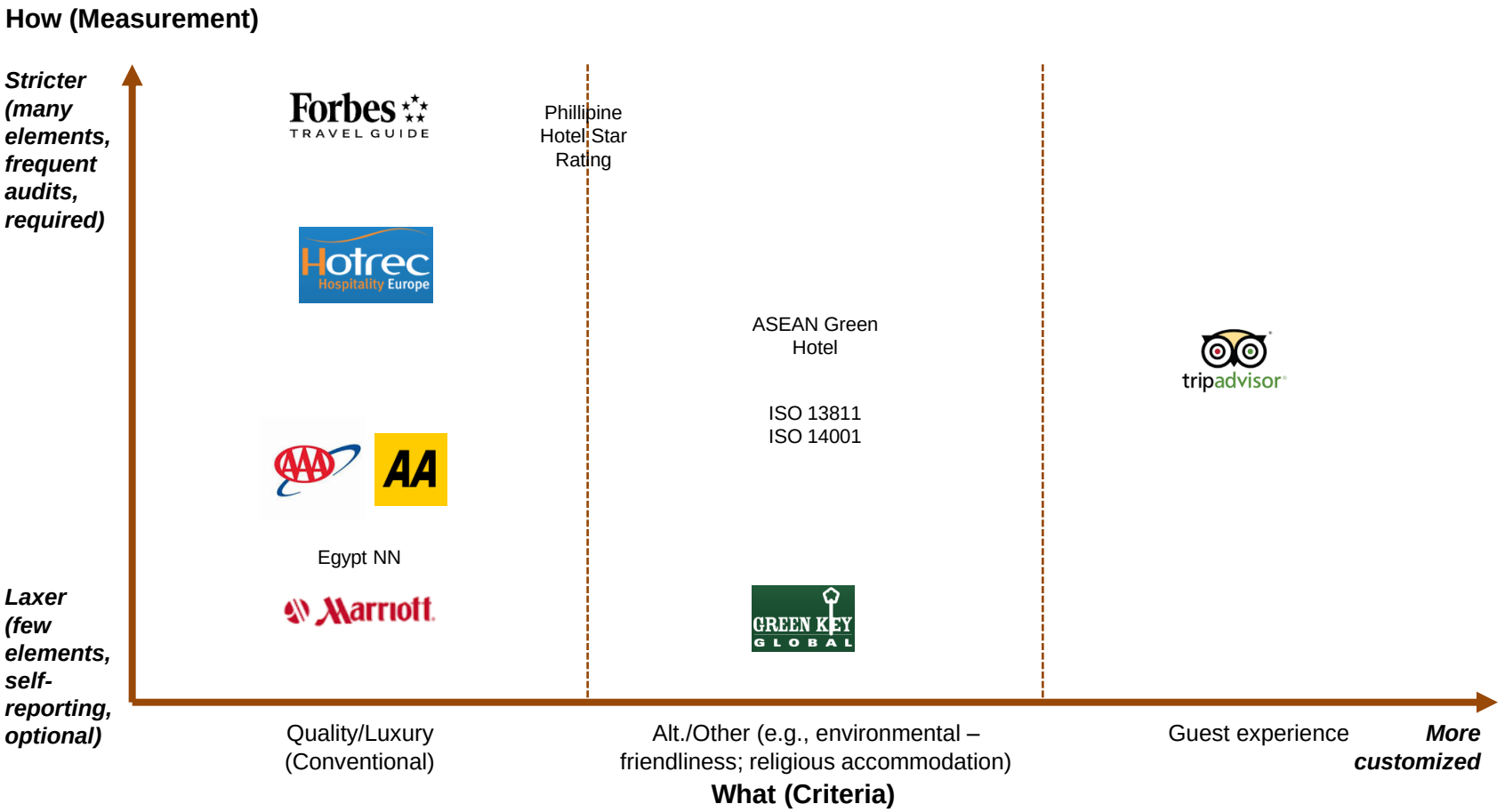
Segmentation of conventional hospitality standards

Measurement criteria & strictness



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OIC Tourism Market Sizing

Table 1: Top Markets for OIC International Tourism Receipts (2015)

Country	Total International Tourism Receipts (in USD billions)
Turkey	26.6
Malaysia	17.6
United Arab Emirates	16.0
Indonesia	10.8
Saudi Arabia	10.1

Source: UNWTO Tourism Highlights 2016

Table 2: Muslim Visitor Arrivals in the OIC Countries (2014-2020)

	2014	2015	2016	2017	2018	2019	2020	CAGR
The OIC Muslim Visitor Arrivals	45.6	49.5	53.8	58.4	63.4	68.9	74.8	8.59%

Source: DinarStandard Analysis and UNWTO Statistics

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OIC Market Sizing

Table 3: Top Markets for Muslim Outbound Tourism Expenditure (2015)

Country	Muslim Outbound Expenditure (in USD billions)
Saudi Arabia	19.2
United Arab Emirates	15.1
Qatar	11.7
Kuwait	9.0
Indonesia	9.1
Iran	7.2
Malaysia	6.7
Russia	6.6
Turkey	5.3
Nigeria	4.8

Source: DinarStandard Analysis and Business Monitor International Statistics

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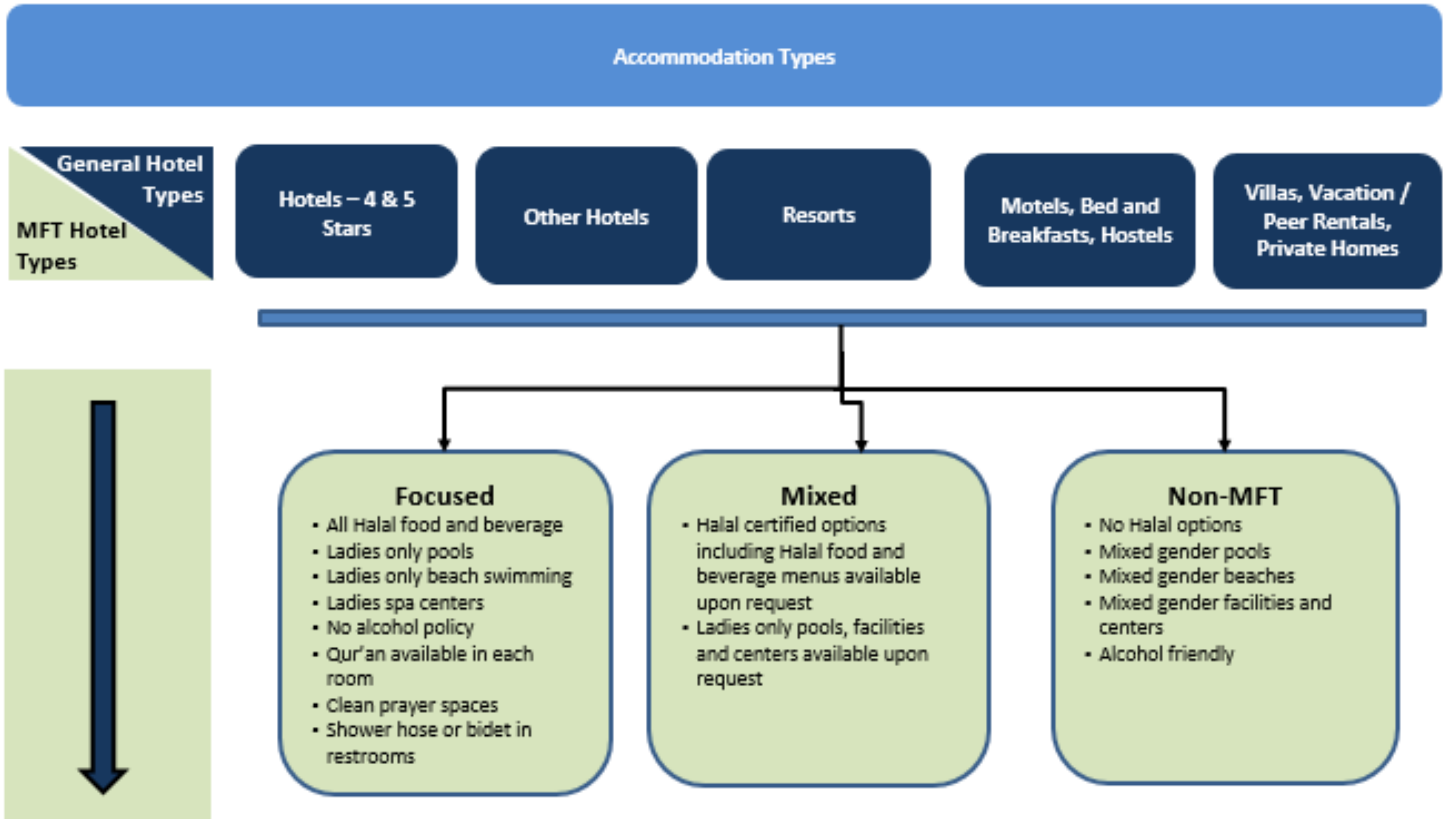
Market Landscape of Muslim-Friendly Tourism

Accommodation Sector Landscape



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Accommodation Sector Landscape

Table 4: Number of Hotels in the OIC Countries (2015)

Country	No. of Hotels	No. of Rooms
Turkey	3,295	306,295
Malaysia	2,178	202,505
United Arab Emirates	1,985	184,564
Indonesia	1,332	123,836
Saudi Arabia	1,254	116,575

Source: DinarStandard Analysis

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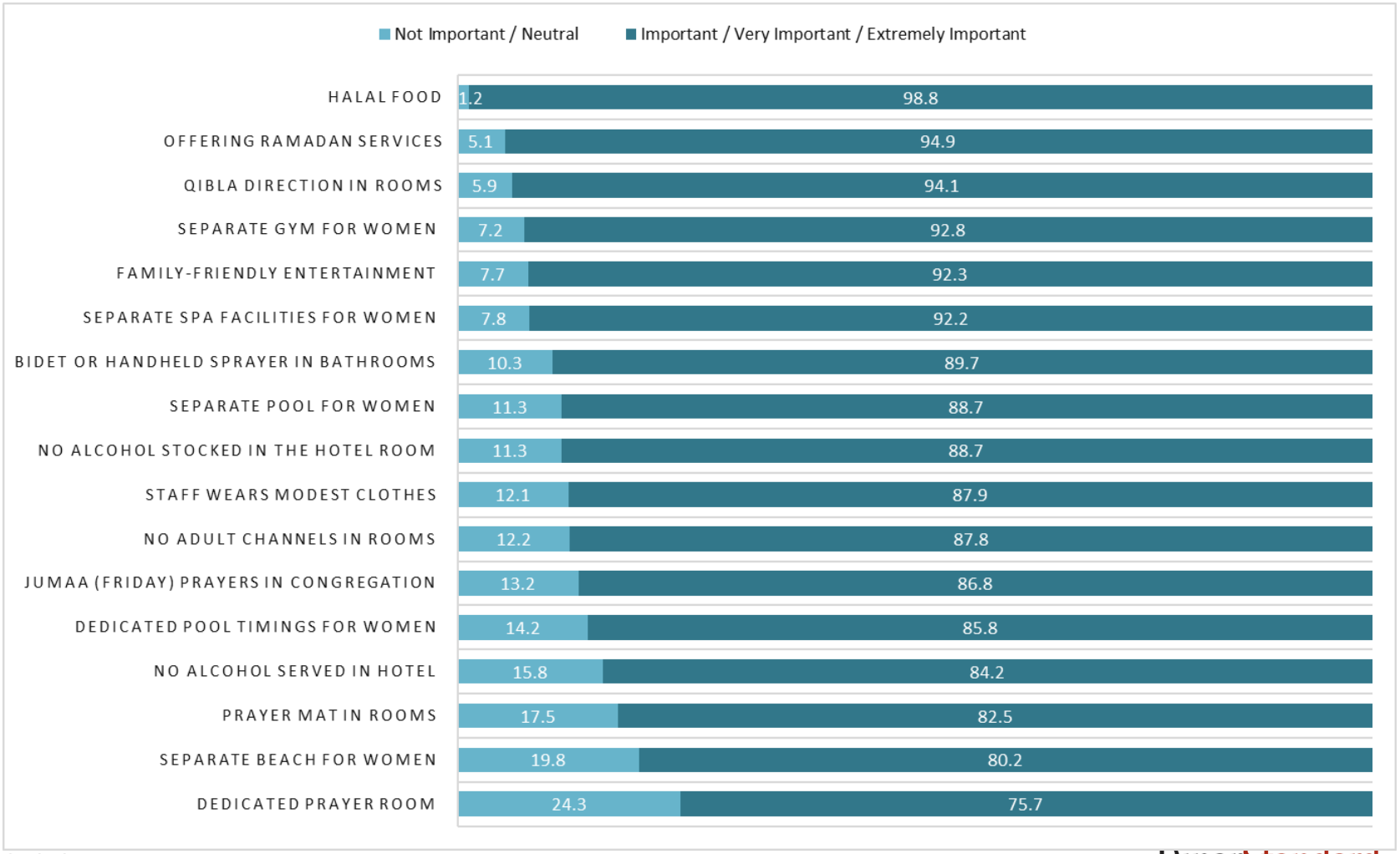
Muslim Traveler Accommodation Regulation Survey

Services & Facilities Rated Important to Regulate by Consumers

How important is it for various Muslim-friendly services to be regulated by an MFT accommodation standard



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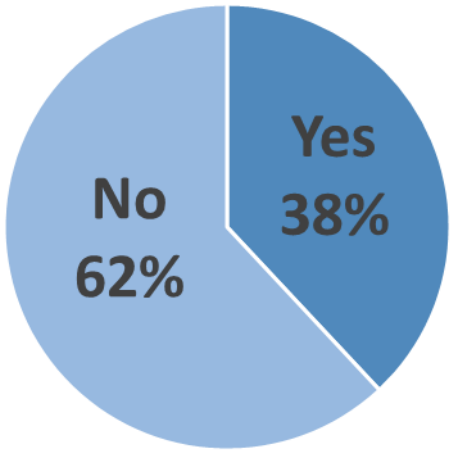
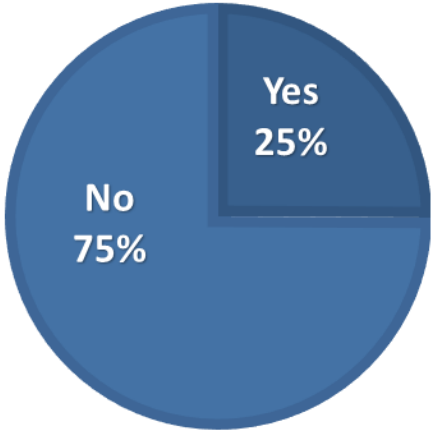
Awareness of MFT Standards

Are you aware of any MFT regulations/standards for the hospitality sector?

Accommodation Sector



Muslim Travelers



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MFT Tourism Regulation

Bodies Responsible for MFT Regulations

Government Bodies	Standards Malaysia → MS 2610:2015
Local/Regional/International Organizations	Center for Halal Quality Certification (Croatia) → Rulebook of Certifying and Categorization of Hospitality Services
Private Entities	Crescentrating Salam Standard

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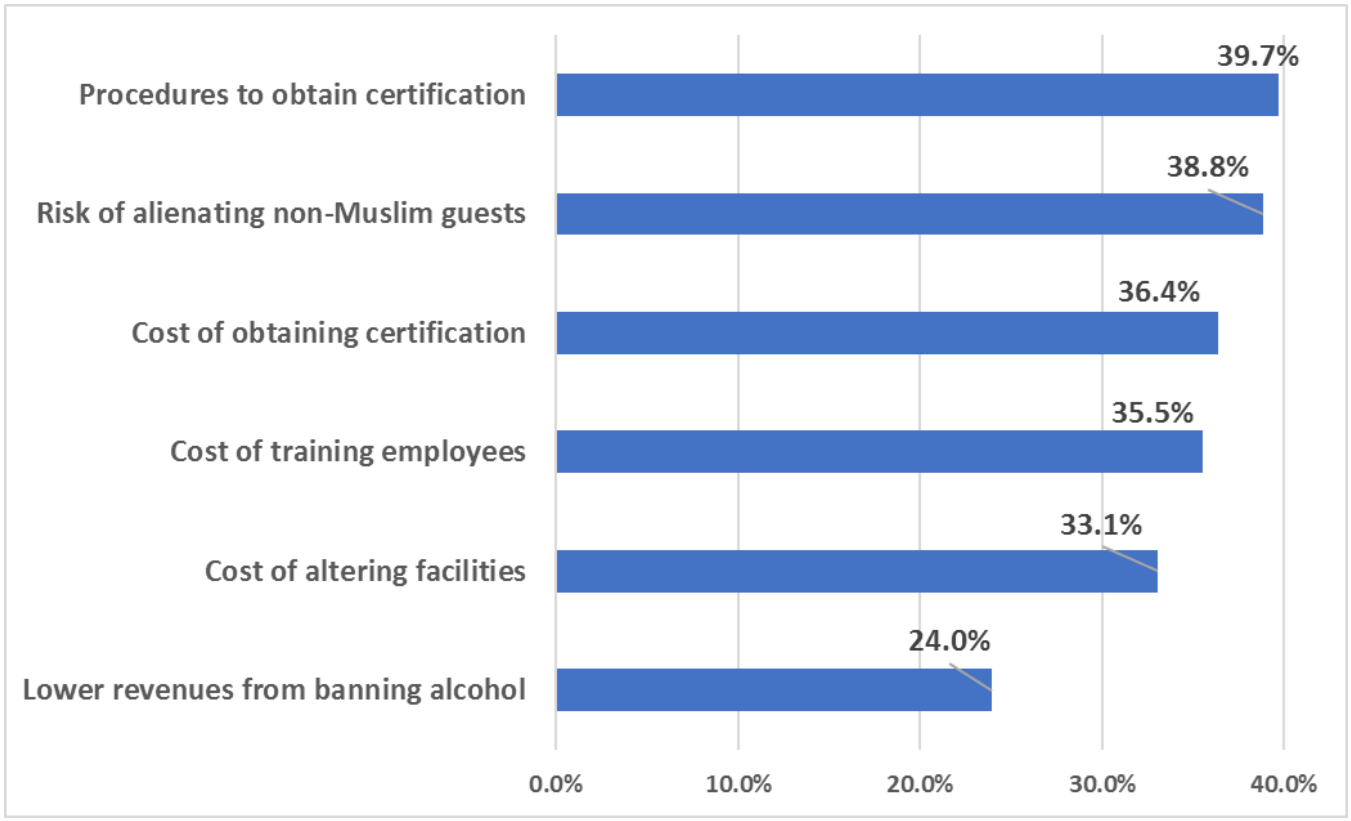
Challenges in Developing and Implementing MFT Standards



Source: Accommodation Sector Survey

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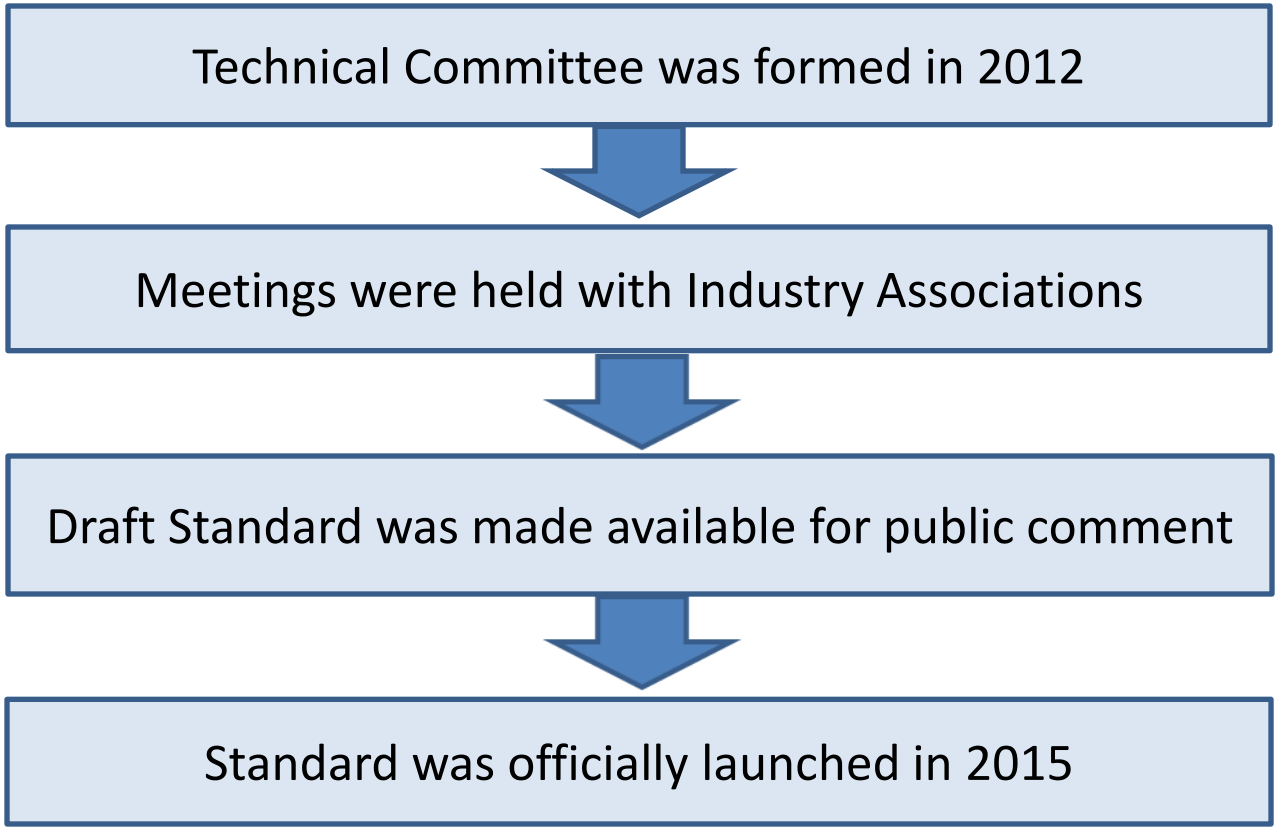
Muslim-Friendly Hospitality Services Standard - MFHS (MS 2610:2015)

Standard Development Process



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Muslim-Friendly Hospitality Services Standard - MFHS (MS 2610:2015)

Standard Requirements - General

The MFHS acts as a guideline and is not certified by any official body

MALAYSIAN STANDARD

MS 2610:2015

- Management to improve MFHS on a continuous basis.
- Appoint a trained Muslim officer to ensure implementation.
- Hire competent personnel and offer training.
- Provide a list of all Muslim-friendly products and services offered.

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Muslim-Friendly Hospitality Services Standard - MFHS (MS 2610:2015)

Standard Requirements - Specific

MALAYSIAN STANDARD MS 2610:2015

- Rooms should have:
  - Qibla direction sign, prayer mat, Quran, prayer garment
  - Bidet/hand shower
  - No alcohol in mini-bar
  - Halal personal care products
- Kitchen Halal certified by JAKIM
- Sohour and Iftar are available during Ramadan
- Public prayer rooms
- Muslim-friendly recreational and wellness facilities

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Muslim-Friendly Hospitality Services Standard - MFHS (MS 2610:2015)

Certification Process

MFHS can be purchased for nominal fee

Hotel can voluntarily follow standard guidelines – no certification process

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Muslim-Friendly Hospitality Services Standard - MFHS (MS 2610:2015)

Effects on Accommodation Sector

- Marketing Tool
- Increase of Muslim guests
- Favorable customer experience

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Muslim-Friendly Hospitality Services Standard - MFHS (MS 2610:2015)

Challenges and Lessons Learned

Standard Development:

- Should include important criteria but not be too strict
- Industry participation is a must
- Research to ensure usability

Standard Adoption:

- Industry demands that adoption is voluntary, which leads to low adoption
- Increase adoption through campaigns, road shows, industry seminars
- Consider providing incentives such as tax breaks

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MFT Regulation Case Study: Turkey

TSI Halal Management System TS 13683

Standard Development Process

Academic Consultation Committee was formed in 2013

↓

Committee prepares pre-draft document for evaluation by Halal Committee of TSI and industry stakeholders

↓

Academic Consultation Committee amends draft based on stakeholder feedback

↓

Final draft is evaluated by TSI's Technical Board

↓

Standard is released

TÜRK STANDARDI
TURKISH STANDARD

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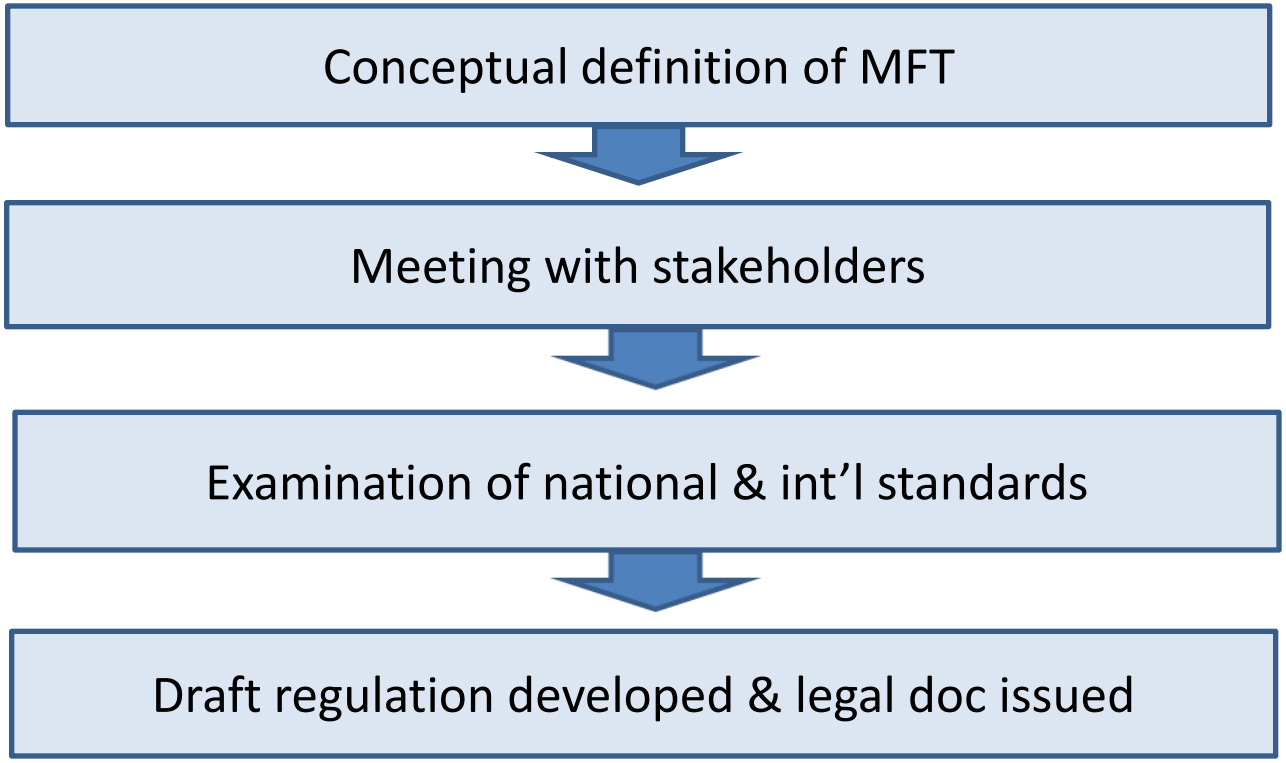
MFT Regulation Case Study: Turkey

Ministry of Culture and Tourism's MFT Regulation

Standard Development Process



Republic of Turkey
Ministry of Culture and Tourism

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TSI Halal Management System TS 13683

Certification Process

TÜRK STANDARDI
TURKISH STANDARD

Certification is through TSI's Halal Certification Department

Hotels complete online application on TSI's website

↓

TSI inspectors do a field visit and prepare report

↓

Report is presented to TSI's Halal Certification Committee

↓

Hotel is granted a Halal Management System certificate

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Ministry of Culture and Tourism's MFT Regulation

Certification Process

Certification will be through the General Directorate of Investment and Establishments

Submit application to the Ministry

↓

Field visit by controller

↓

Tourism issues certification

↓

Controllers visit to check the business regularly

Republic of Turkey
Ministry of Culture and Tourism

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Challenges and Lessons Learned

Standard Development:

- Support from religious authorities is essential
- Accommodation establishments must be consulted

Standard Adoption:

- On-going training for hotels is essential as abiding by MFT regulations can be challenging

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MFT Regulation Case Study: Croatia

Rulebook of Certifying and Categorization of Hospitality Services

Responsible Body: The Center for Halal Quality Certification

Standard Development Process

Representative from the Center observed hotel operations

↓

Center referred to tourism laws & Croatia's Halal food standard

↓

Rulebook was released in 2010

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Rulebook of Certifying and Categorization of Hospitality Services

Standard Requirements

Halal Package A

- Have an accommodation license from the Ministry of Tourism
- Must have submitted requests for HACCP system and ISO 22000:2005
- Provide Halal food from approved providers
- Store and prepare food according to Halal requirements
- Staff have been educated on Halal by the Center for Halal Quality Certification
- Have a clearly visible sign indicating that they serve Halal food
- Clearly label Halal items on menu
- Have the Halal certificate clearly visible at the reception of catering facility
- Indicate prayer direction in the rooms
- Provide a prayer rug
- Provide a prayer schedule
- Remove alcoholic beverages from mini bar

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Rulebook of Certifying and Categorization of Hospitality Services

Standard Requirements

Halal Package B

- Meet all the requirements of Halal Package A
- Not serve alcohol in the facility
- Not serve any haram food in the facility

Halal Package C

- Meet all the requirements of Halal Package B
- Provide a separate pool for women
- Provide a separate beach for women

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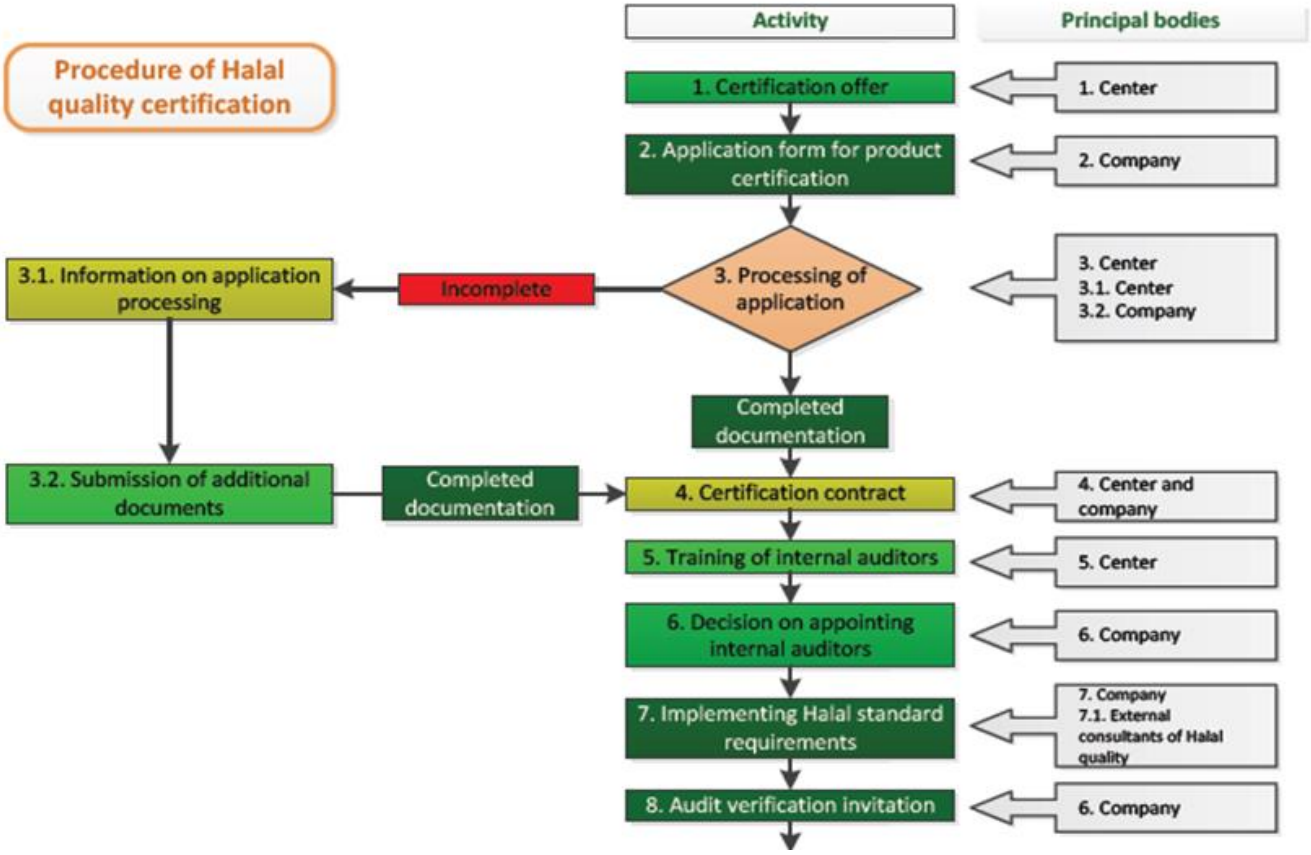
Rulebook of Certifying and Categorization of Hospitality Services

Certification Process



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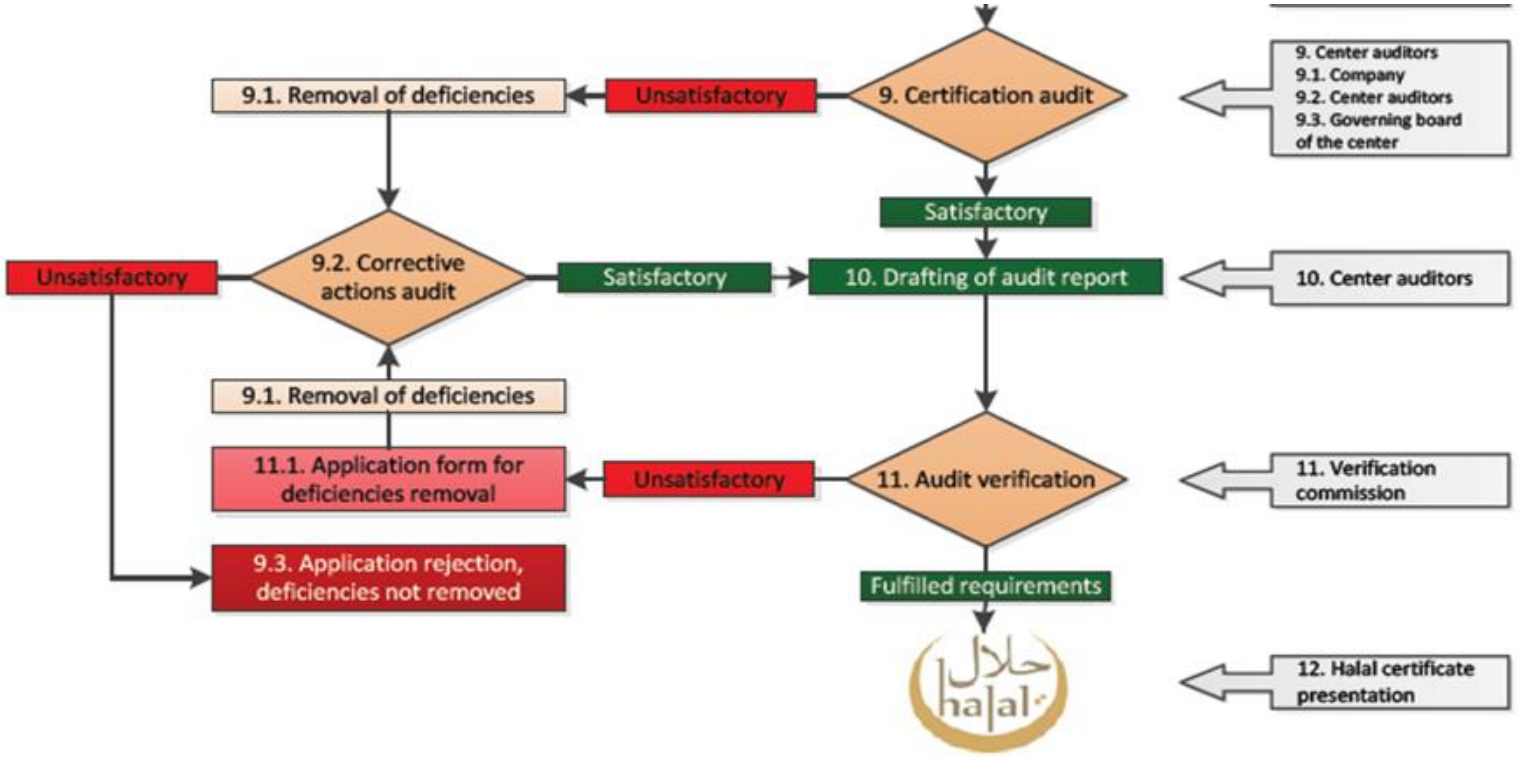
Rulebook of Certifying and Categorization of Hospitality Services

Certification Process – cont.



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Rulebook of Certifying and Categorization of Hospitality Services

Effects on Accommodation Sector

- Increased Sales
- Efficient Handling of Muslim Guests Needs

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Muslim-Friendly Hospitality Services Standard - MFHS (MS 2610:2015)

Challenges and Lessons Learned

- Having multiple levels encourages facilities to adopt the standard
- Government legislation encourages hotels to become MFT certified (it is illegal for hotels to claim they are Halal or Muslim-friendly without certification
- Important to obtain government support (Croatian government appointed the Center for Halal Quality Certification as the authority responsible for Halal in Croatia

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Recommended MFT Services and Facilities

Segmentation of recommendation by level of MFT Ecosystems

Non-OIC countries with limited MFT ecosystems	**OIC countries with moderate MFT ecosystems**	**OIC countries with advanced MFT ecosystems**
• Primarily catering to mainstream guests • Modest number of Muslim visitors	• High proportion of non-Muslim visitors • Halal food is widely available, but alcohol is common in hotels	• Predominantly Muslim visitors • Strong Islamic Finance and Halal products ecosystem • Strong religious affiliation

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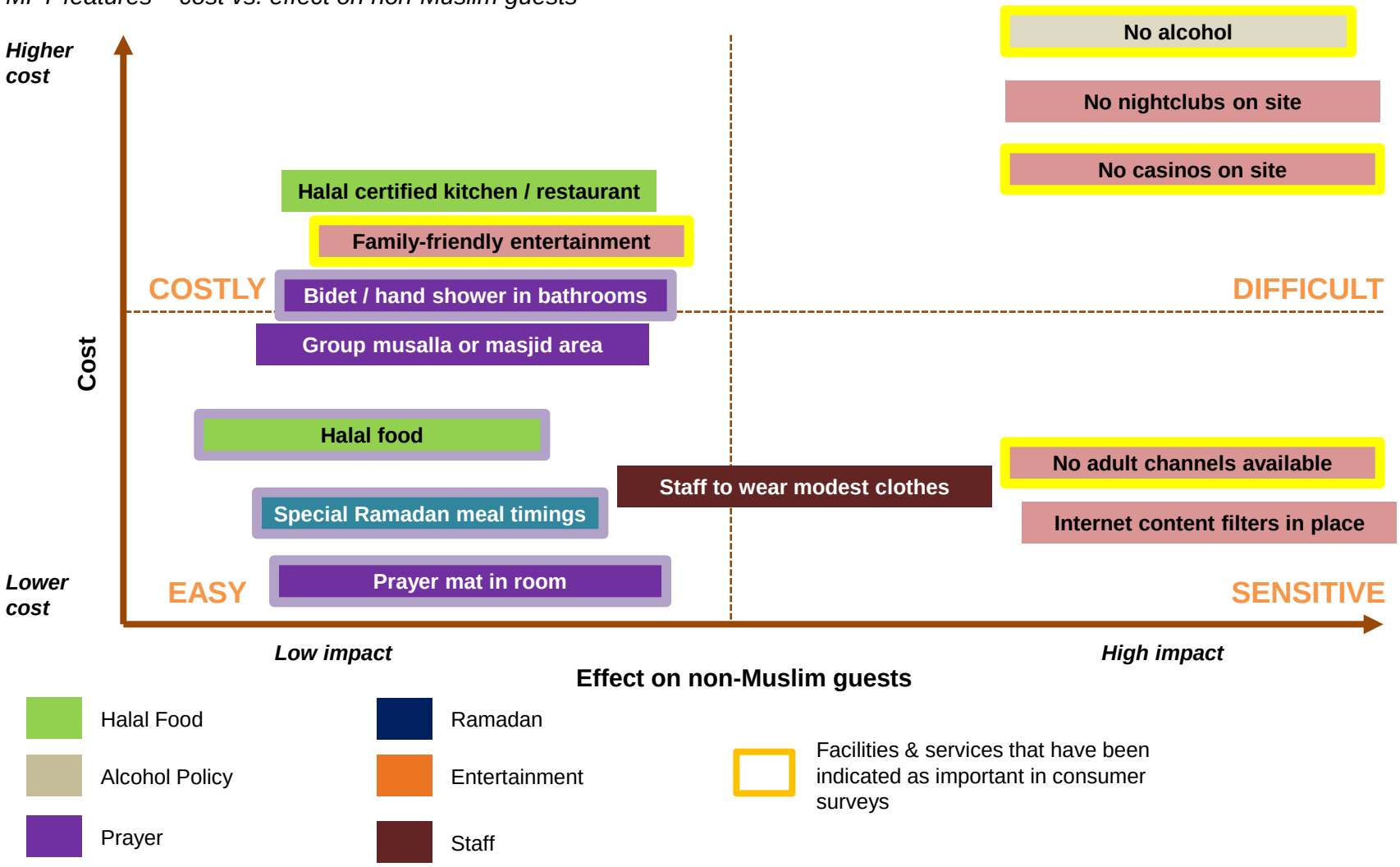
Recommended MFT Services and Facilities

MFT Services for Modest Ecosystems

MFT features – cost vs. effect on non-Muslim guests



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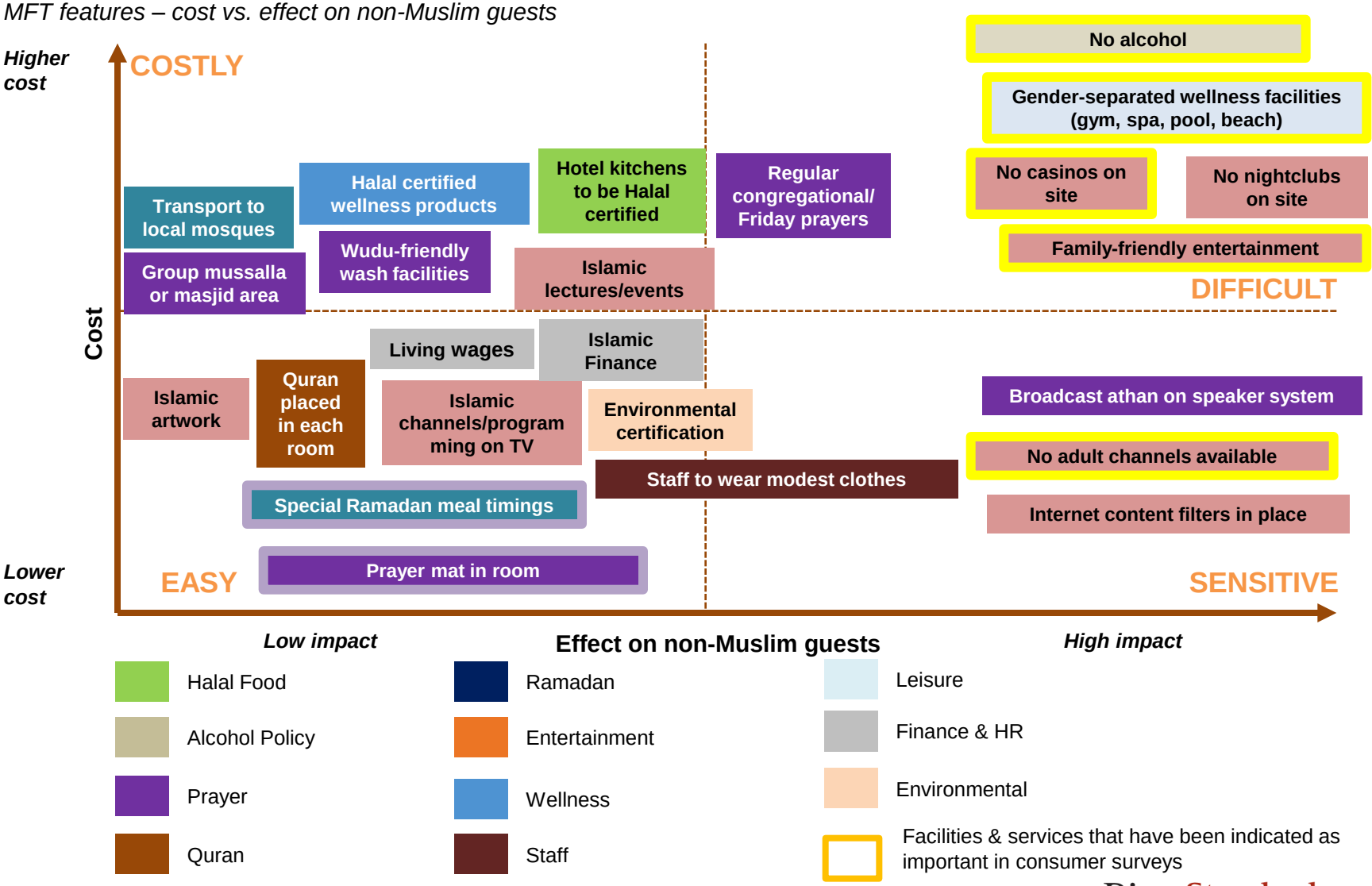
Recommended MFT Services and Facilities

MFT Services for Advanced Ecosystems

MFT features – cost vs. effect on non-Muslim guests



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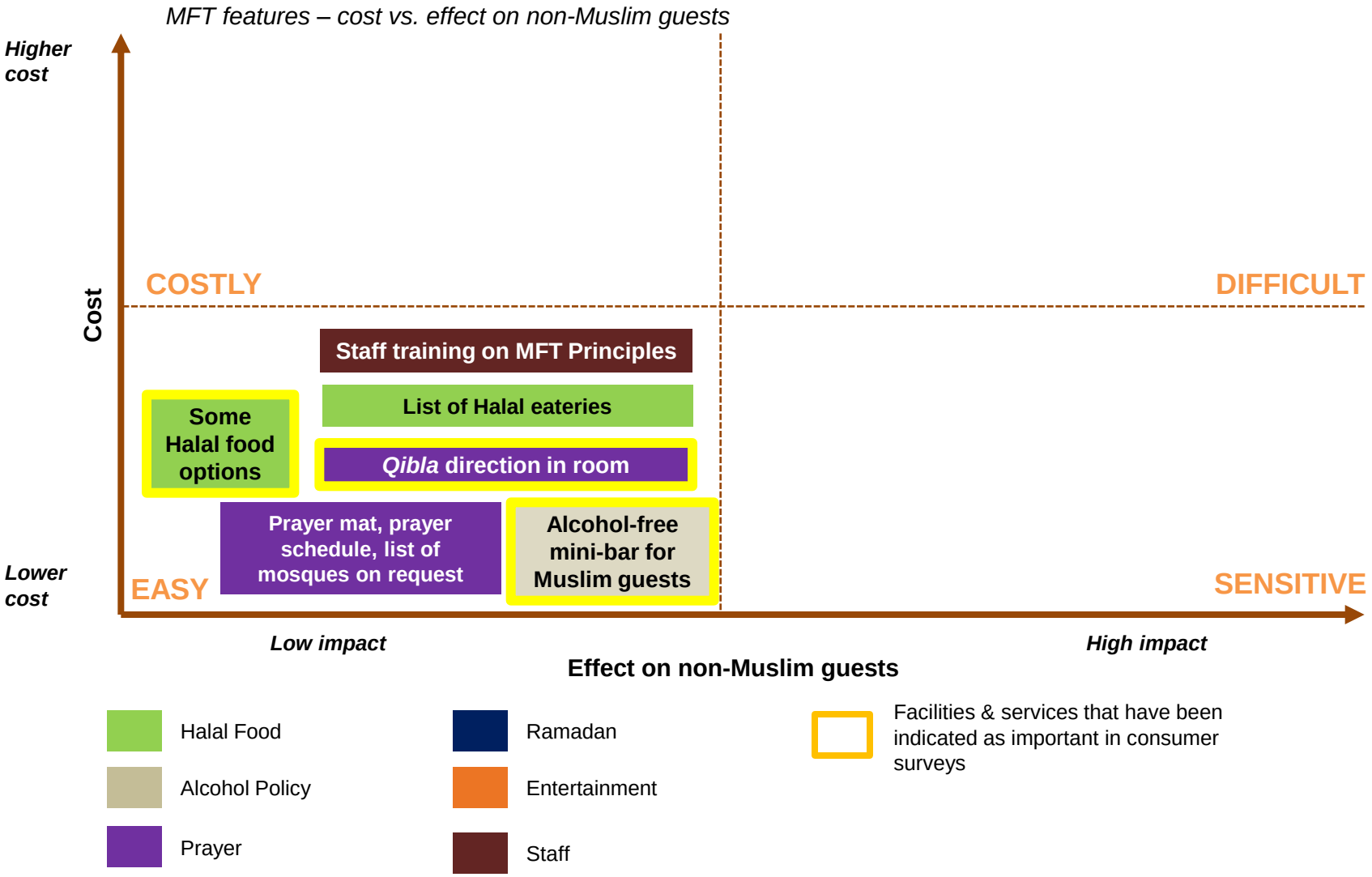
Recommended MFT Services and Facilities

MFT Services for non-OIC Countries with Limited MFT Ecosystems



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Recommended MFT Services and Facilities

Family-Friendly and Ethical MFT Services and Facilities

Minimum requirements	
Halal Food	Halal food options
Alcohol Policy	Alcohol-free minibar for Muslim guests
Good to have	
Alcohol Policy	No alcohol: no bar or alcohol served at hotel restaurants
Entertainment	No nightclubs on site No casinos on site No adult channels available Internet content filters in place (for obscenity) Family-friendly programming and entertainment on site
Staff	Staff to wear modest clothes
Premium	
Alcohol Policy	No alcohol on site (e.g., at restaurant or on demand)
Entertainment	No obscene or non-Islamic music or artwork displayed
Environmental	Environmental certification and eco-friendly processes in place

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Policy Recommendations

Gaps and Opportunities to Improve MFT Standards

- **Engage all stakeholders**
- **Train local inspectors**
- **Change "MFT" hindering legislation**
- **Establish controls, documentation, follow up processes**
- **Liaise with OIC/regional governments**
- **Promote standard among stakeholders and consumers**
- **Minimize conflict of interest between standard setting and certification roles**

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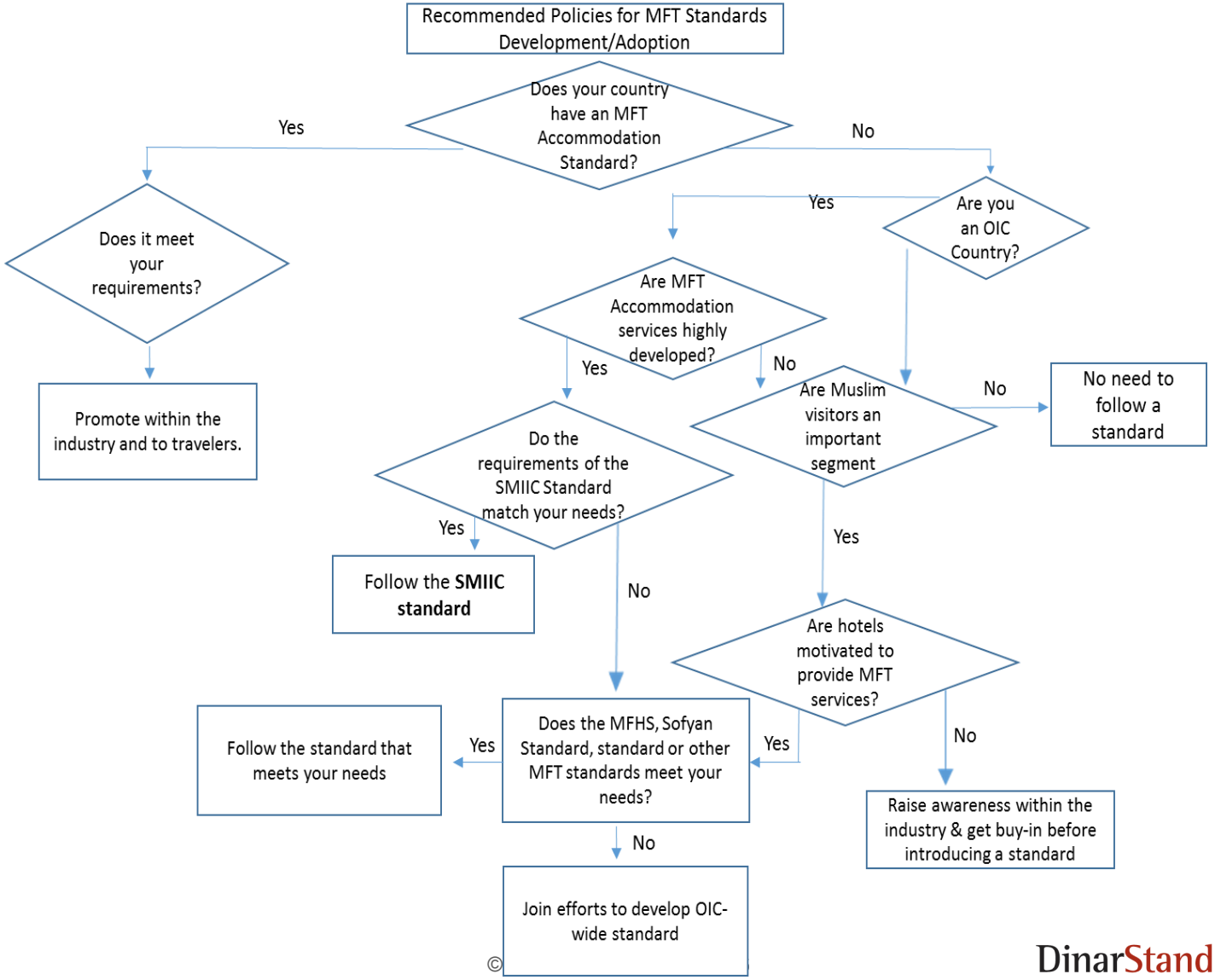
Policy Recommendations

MFT Standards Adoption/Development Decision Tree



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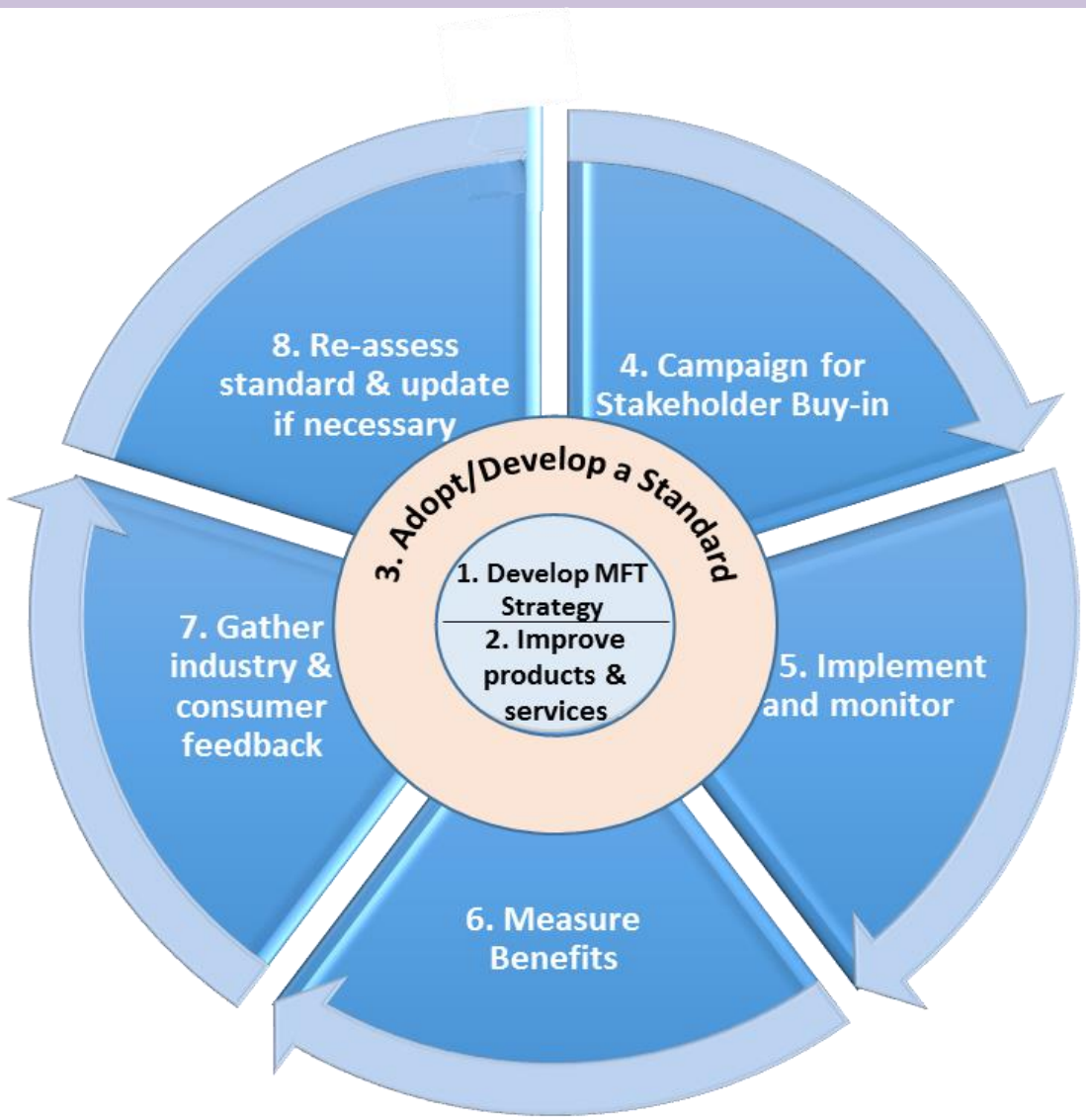
Policy Recommendations

Recommendations for OIC Countries with No MFT Regulations



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Recommendations for OIC Countries with No MFT Regulations

2. Improve Products & Services

Target segments & themes*

Young Muslim Millennials	Young Muslim Couples	Growing Muslim Families
Age: 18-24	Age: 25-34	Age 35-44
Leisure, education, friends & fam	Leisure, friends & fam, religious, edxn	Leisure, friends & fam, religious

Sector MFT priorities

	Accommodation	Food & Bev. Services	Travel Services	Activities	Transportation
Basic Offerings	• Provide clear Halal food options • Ensure bidet sprayer in toilets • No alcoholic drinks in rooms • Ramadan meals • All food at facility to be credibly Halal • Qibla direction in rooms • Family friendly entertainment shows	Clear Halal food credentials	Muslim-travel themed packages	Prayer/ other facilities at attractions Develop/ promote Islamic heritage sites	Prayer/ other facilities at hubs
Advanced/ Innovative	Muslim-friendly vacation/ beach resorts Muslim-friendly home sharing Muslim-focused concierge apps Culturally themed hotels	Meal sharing platforms	Travel Islamic financing services 'Takaful' based travel insurance MFT focused travel booking websites	Family-friendly cultural entertainment Muslim-lifestyle festivals and theme-parks	Innovative transit services: gender segregated gyms, spas…

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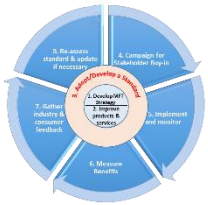
Recommendations for OIC Countries with No MFT Regulations

3. Adopt/Develop a Standard



- Appoint authority responsible for national/regional standard
- Establish a committee with all stakeholders represented
- Review existing standards
- Conduct in-depth interviews and surveys with the accommodation sector, consumers, certifiers and other stakeholders
- Develop draft standard, share with wider group of stakeholders for commentary
- Train auditors/inspectors
- Issue Standard
- Promote standard

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Recommendations for OIC Countries with No MFT Regulations

4. Campaign for stakeholder buy-in

- PR Campaign
- Influencer Campaigns
- Industry Seminars
- Events
- Email Campaigns
- Awards
- Social Media Campaigns

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Policy Recommendations

Recommendations for OIC Countries with No MFT Regulations

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Policy Recommendations

Recommendations for OIC Countries with Existing Regulation

Improve Existing Standard	Improve Implementation	Increase Adoption of Standard

• Revisit national MFT strategy (growth targets, source markets, marketing strategy
• Enhance MFT Accommodation sector products & services
• Assess impact of MFT regulation
  ○ Increased Muslim tourist receipts?
  ○ Increase in guest satisfaction?
  ○ Challenges?
○ Gather industry and consumer feedback
○ Improve standard
	• Certification role should be separate from standard-setting role
	• Inspectors and auditors to be properly trained in MFT services/facilities
	• Certification bodies to be accredited
	• Certifiers should not be trainers
		• Conduct promotion campaign
		• Hold industry seminars
		• Launch awards for exceptional MFT certified hotels
		• Hold press conferences

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Policy Recommendations

Recommendations for OIC Countries with Existing Regulation

Raise Awareness

- Raise awareness on MFT regulation globally
- Advocate for MFT in international forums
- Form an alliance of countries interested in promoting MFT

Technical Cooperation

- Consult organizations such as the UNWTO, IH&RA OECD, ASEAN, ISO, HOTREC for technical cooperation
- Form an alliance of countries interested in adopting MFT standards, to share best practices
- Establish consulting services to assist non-OIC countries in adopting a standard.

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Islamic /Ethical Finance

Halal/ Ethical Lifestyle

OIC Economies

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