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The Customer’s Perception towards Shariah-Compliant Hotel in Malaysia

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Abstract
Malaysia has been chosen as the world’s leading destination for Muslim tourists for 3 consecutive years in recent surveys conducted by the Singapore Crescent Assessment and the United States Dinar Standard. Selangor received the highest number of tourist in 2017 while Melaka has received an acknowledgement as the must-visit city 2017 by TripAdvisor. With diverse halal food, Islamic prayer facilities and attractions, Malaysia perfectly meets the needs of Muslim tourists. The provision of Islamic hospitality develops the Shariah-Compliant hotel standards. Yet, a good understanding of tourism cannot be established without a good understanding about religion, practices and its impacts to the tourists and providers. Due to the necessity, this research calls to examine the relationship between the customer’s attributes and customer’s perceptions towards Shariah-Compliant hotels practice in Malaysia. Using a simple random sampling technique, a total of 200 online survey questionnaires were distributed to customers around Selangor and Melaka. Regression result revealed that customer’s perception has a positive relationship with customer’s attributes. Out of six customer’s attributes, customer’s value proven to have the most significant impact on customer’s perception.

Keywords: Shariah-Compliant Hotel, Customer’s Perceptions, Customer’s Attributes, SCH

Introduction
After the September 11th tragedy, tourist from Middle East regions such as from Saudi Arabia, UAE and Iran have changed their travelling trends from traveling to continental Europe to Muslim country in Asia such as Malaysia, Indonesia and Brunei. According to Siti Aishah (2013), to cater Muslim travelers’ special needs, Malaysia has become a safe destination for them. At the same time, there are 5896 number of premises with Halal certified kitchen recognized by the Jabatan Kemajuan Islam Malaysia (JAKIM) as stated by Henderson (2015). According to Sadi and Henderson (2005) Malaysia tourism is becoming the top foreign exchange earner, earning as much as the manufacturing sector (Malaysia Budget, 2009).
Jurattanasan and Jaroenwisan, (2014) state that SCH can be defined as a hotel that provides services and transactions based on completely Shariah principle, and not only limited to serving halal food and beverages but also for safety, health, environment and the benefits on economic aspects. In continuation on the effort to develop Malaysia as an Islamic tourism destination based on SCH, this research examined the customers’ perception and demand towards SCH. Customers play an important role in purchasing a company’s product or services. Within the set of customers’ perceptions, it can be grouped as positive or negative feelings, perceptions, inhibitions, predispositions, expectations or experiences that a customer has.

According to Che Ahmat et. al. (2012a; 2012b), the adaptation of a true SCH is still undefined due to the fact that most hotel operators did not really understand about the concept, which leads to misinterpretation and misunderstanding. Some hotel operators have a different understanding between the concept of Islamic hotel and Shariah-Compliant because they assumed that both concepts are interchangeable but the reality there are key differences between these two types of hotels.

Rosenberg and Choufany (2009) view the fact that, dry hotel can be defined as the hotel that does not serve non-halal ingredient in its food and beverages outlet but at the same time, still maintain the conventional style in terms of their operations and services. Therefore, it is believed that a dry hotel that served only halal food and no alcohol allowed, that premise still cannot be justified as the Shariah-Compliant hotel due to the differences between the concept of Shariah-Compliant hotel and conventional dry hotel. this research paper therefore, aims to provide a framework on concept of Shariah-Compliant hotel in Malaysia, obtained from a review of limited journal articles and printed electronic media materials.

Although the demand for Halal market in the tourism industry is growing, there is an inadequate knowledge on the practice of Shariah-Compliant of hotels in Malaysia. The general knowledge of the Islamic hotel concept and the application is still new and are often misleading on the concept of Shariah-Compliant hotel in Malaysia and this may lead to more confusions and misunderstanding of perceptions. Nur’ Hidayah Che Ahmad et. al. (2015) view that most of the hotel operators and customers do not understand the term of "Shariah-Compliant hotel" and its concept of operation. In Malaysia, most of the hotels are established in the conventional type and only few hotels have 'self-claimed' that they are SCH as stated by Othman (2015), a factor which cause to a slow movement on the development of Islamic hotel concept establishment.

Based on our observations, most hotel owners in Malaysia are non-Muslims. Therefore, the development agenda of the Islamic hotel concept in Malaysia is quite slow as stated by Ahmat et. al. 2015). However, Muslim tourists are more likely to accept Islamic hotel establishments to fulfill their accommodation arrangements. According to Azizah et. al (2017); (Yusof,M.F.M.,& Muhammad, M.Z. (2013) they viewed that demand for Islamic services has shown a high demand in the global travel market that has led to the rapid growth of Islamic tourism.
Therefore, as an effort to support the development of SCH, this study enriched the compilation of information on the customer’s attributes and its relationship with customer’s perception towards the growth of SCH concept and practice in Malaysia. The model proposed in this study suggest a compressive framework of the perceived value of customers with regards to their perception and better understanding of SCH. In fact, most of the literatures have merely discussed on the concept and attributes of SCH, this study examined the young generation’s customer perception toward the concept and practices of SCH that which could further help the hotel operators to overcome the challenges and strategize their strategies to tailor the need of Muslim and non-Muslim customers.

The proposed model in this study suggests a compressed framework of customers’ values seen in terms of their perception of the development of Shariah Compliance Hotel properties in Malaysia and subsequently as a way to create better understanding and perceptions towards the development of SCH from the perspective of young generation travelers. Findings from this study may also assist the policymakers to plan for a future policy creation, rules and regulation according to Shariah principle of SCH in Malaysia.

Basically, the objective of this research is to identify the relationship between customer’s attributes and customer’s perceptions among the young generation tourist’s towards Shariah-Compliant hotel in Malaysia and to measure the level of customer’s perceptions towards Shariah-Compliant hotel in Malaysia.

**Literature Review**

This section discusses the Shariah-Compliant of the hotel and its attributes from the Islamic perspectives based on the 5 Maqasid al-Shariah principles of religion which are (Al-Din), life (nafs), intellect (aq'il), progeny (mask) and wealth (mal). This also chapter explains the literature of the 6 independent variables that represent customers' attributes involved in developing customer perception towards the Shariah-Compliant hotel.

**Shariah-Compliant Hotel Development in Malaysia**

Shariah is an Arabic word which means the path that should be followed by Muslims (Sahida et. al., 2011). Therefore, Shariah-compliant hotel can be defined as a hotel that provides services in accordance with the Shariah principles (Jurattanasan & Jaroenwisan, 2014). The Shariah-compliant hotel or Islamic hotel characteristic is not only limited to serve halal food and drink, but it extends to the operation throughout the hotel that must be managed based on Shariah principles.

The significant size of Muslim customers and the growing demand by the Muslim travelers around the world would make the concept of Islamic hotel to be welcomed. However, the real challenge is to provide services to these customers that are can afford the services that allow competitive comfort and luxury but at the same time maintaining the standard of spiritual quality that is demanded by Muslims (Razalli, et. al., 2012).
In other words, the level of acceptance of the Islamic hotel concept among Muslim travelers depends on the level of service provider’s initiative in harmonizing between the existing hospitality concept and the Shariah rules and regulations as permitted by Islam. Again, this requires more understanding of the concept among hoteliers and this might be even more challenging to the western hotel chains (Albattat et al., 2018).

There are 3 classifications regarding lodging under the Islamic perspective which are, hotel is not allowed to serve liquor on their outlets, hotel must practice the Islamic administrations concept on the operation, for example, Halal sustenance, supplication rooms, Korans and petition floor coverings in each room, and finally, separate offices for men and ladies and a true SCH will have Shariah overseeing the majority of its activities from its outline to the insides to the Inn's records (Henderson, 2003; Weidenfeld, 2005; Okasha, 2010; Ozdemir and Met, 2012; Zulkharnain and Jamal, 2012). It is imperative to take note, that to achieve the complete status of SCH; it must ensure that the task, plan of the inn and the money related arrangement of the lodging must consent to Shariah tenets and standards. The layout design of the hotel appearances should be worked in the view of Shariah standards. For instance, the offices, spa, exercise center offices, swimming pool, visitor and capacity space for male and female ought to be isolated (Rosenberg and Choufany, 2009; Sahida et al., 2011; Jafari and Scott, 2014). Although there are no composed formal necessities or groupings for SCH that presently exists, however, it appears that the advancement and task of SCH are comparative with the activity of the standard Inn (Rosenberg and Choufany, 2009).

In a similar setting, Henderson (2010), proposes the properties of SCH, is also similar among the characteristics for halal hotels incorporates, for example no alcohol, permission to serve only Halal food, provision of Quran and prayer mats in each room, beds and toilet are positioned to not face the direction of Mecca, prayer rooms, appropriate entertainment, predominantly Muslim staff conservative staff dress, separate recreational facilities for men and women, guest dress code and Islamic funding.

The emergence of Shariah-Compliant hotel in Malaysia is still considered at infant stage because of mostly small-scale of the hotel are applying this idea in their establishment. Most hotels in Malaysia that serve basic facilities to fulfill the needs of Muslim tourists are the 3 and few 4-star hotels whereas the majority of 4 to 5-star hotels are owned by outside operators like Hilton, Starwood, and other intercontinental hotels cluster, as an example. Those global brands declined to adopt Shariah Consistent on the grounds that the execution of the idea will require a different arrangement that result in higher cost mainly on the issue of vast space required for sex isolation amongst men and ladies, (Economist, 2009; Henderson, 2010; Rosenberg & Choufany, 2009) and some outside operators even lamented that the concept will affect the total food and beverages revenue as most of the conventional hotels generate high income from selling alcoholic beverages (Husain, 2007a).

In Malaysia, the chance of Malaysia hotels to provide a few facilities and activities in accordance with the Islamic esteems in various way has appeared. For example, some hotels promote the traditional halal food, organize the Bazaar Ramadhan, Ramadhan buffet and prayer room perform
solat terawikh. It is pertinent to note that Muslim tourists particularly from West Asia are increasingly sensitive and wanting access to more sophisticated holiday destinations and Halal dining. With regards to the arrangement of Shariah-Compliant Hotel in Malaysia, there are a few inns which serve fundamental facilities to satisfy the Muslim tourists’ needs so-called as friendly Muslim hotel’. Most of them are located in Kuala Lumpur, Shah Alam, and Kelantan such as PNB Darby Park Hotel and Putra Hotel, Kuala Lumpur, UiTM Hotel, Shah Alam and Ansar Hotel in Kelantan.

The above research is similar to other research that points out in terms of the hotel facilities, the facilities for customer friendly Muslim must be provided in terms of providing halal food and facilities during the month of fasting such as sahur (Berita Harian, 2010 in Suhaimi, Yaakob et.al, 2010). Yusuf (2009) in Yuni Aryanty (2010) further state that Shariah-Compliant Hotel is defined as the hotel that is governed by Shariah standard which will go beyond the concept of the Dry Islamic hotel. An Islamic hotel's core value of will follows the Islamic perspective in all aspects from cleaning to accounting practices.

Yusof et. al. (2013) further seconded that, to cater to the growing market of Islamic Tourism segment, Shariah-compliant hotels are one of the products which can be further developed. In this context, it is very crucial for the hotel provider to satisfy tourist preferences from competitive customer attributes such as customer understanding, belief, values, product innovation, and social media perspectives.

Therefore, with the aims to enrich a good understanding about religion, practices and its impacts to the tourists and providers and due to the needs to support of the development of the SCH in Malaysia, this study may provide some relevant inputs in shaping positive perceptions towards the SCH concepts and practices.

Customer’s Perception of Shariah Compliance Hotel

Customer’s perception is affected by several components like grades, education, age, psychological attributes, etc., so these factors should always be considered while manufacturing products. Brand name and product quality have its own importance in the society (Sirgy, 1985) and players in the retail industry have identified that according to the social and cultural development, has made people become more concerned about the brand name and quality of the products. Brand name ultimately raises the living standard of the people in the society which helps in developing the perception of self-esteem. Correlation between behavior, experience, and perception of the consumer can help an organization to understand in real time what customers really think, experience and do.

It is important to consider the customers' perception towards the provision of services in SCH that will develop customer acceptance. Increasing positive customers' perception is helpful for the customer and also relevant in building the hotel image and reputation. The trends in service style throughout past years has seen that the customer-oriented approaches became more relevant, e.g. individualization, user and customer integration (Füller et al., 2014), customization, or user expertise (von Saucken et al., 2012). These approaches are adapted to increase the feeling of satisfaction.
among the customer (or user) or to enthuse the customer. This addition will increase customers' perception and it ought to guarantee a high level of customer’s acceptance. The literature reasons that customer’s perception is beneficial for companies’ performance to learn different perspectives that can positively helpful to examine the hotel performances.

**The Attributes of Customers towards Shariah-Compliant Hotel**

**Customer’s Understanding**

The Shariah-Compliant hotel ideas have magnified in demand that causes several world hotel operators to be interested to implement the idea and open up these hotels to capture the market. Despite this growing demand, still, many of us do not seem to be totally aware of the concepts because of misconception. As instructed by Huang, Qiu, Bai, & Pray (2006), knowledge and information concerning the concept of Shariah-Compliant hotel might influence the attitudes of customers. As such, the customers ought to be exposed with info on Shariah-Compliant to paint a better picture of it. This may be done through the various promoting materials like books, magazine, media, and others. On the opposite hand, the hotel operators ought to give a complete enlightenment of the concept in order to stop any misinterpretation from happening. The above statement is also supported by Briz and Ward (2009) who argue that the possibility that customers might not even aware or might think differently in terms of their perception about the Shariah-Compliant Hotel concepts. Therefore, the demand for the Shariah-Compliant hotel can eventually be growing once the purchasers are absolutely or somehow aware of the ideas and this would assist in their making the decision (Macdonald & Sharp, 2000).

**Customer’s Attitude**

The selections of product created for customers can be interpreted in terms of dimension of import, product price and former satisfaction, Kotler (2007); and the ability to provide differentiation and added value (Zikmund and d’Amico, 1993; Fuller, 1999); the administration style, Ekinci and Riley, 2003; Sirgy et al., 1992; Wang and Heitmeyer, 2005. Hence, the customers’ attitudes towards their risk to stay in Shariah-Compliant is depending on the attributes of the product and services offered that matches with their needs and wants and what potential profit they are going to enjoy from staying in such hotel.

**Customer’s Belief**

Belief is an act that is commonly enthusiastic and sensible. Maio and Haddock (2009), indicate that belief can be seen as an imperative factor in SCH as the image of reliability, value, and balance among individuals. Consequently, from an Islamic point of view, belief is an imperative factor of fulfillment among Muslims as well as non-Muslims towards Islamic Banking (Butt and Aftab, 2013). In psychology, belief is estimated to include of 2 components that our confidence in the accomplice's trustworthiness, and trust in the accomplice’s altruism. Haq et. al. (2009) propose that belief can be a factor that impacts the demeanor and inclination of the customer towards Islamic Banking. Essentially, the utilization of these literary works on Trust for the Islamic Banking can likewise be tied to the Shariah-Compliant hotel.
Customer’s Value

Customer’s values can be interpreted from various views, for instance, customer’s value could be outlined as the profit the customer receives for a product/service consumption, knockout, 2008; Woodruff, 1997; Zeithaml, 1988); value is as associate antecedents of customer satisfaction., Fornell et al. (1996); add value must exceed customer’s expectations in terms of performance, Lee et al. (2012);

Different studies look customer's view from different perspectives, depending on the interest of the scope of the study. For instance, Chan and Wong (2006) reveal that location and smart service area the unit key factors in customers' choice selections, whereas Mattila and O'Neill (2003) assert that guest room cleanliness, guest room amenities and friendly and knowledgeable workers are the vital aspects in terms of the levels of customer's satisfaction earned in the accommodation industry. Zhang et al. (2011) say that room style and amenities are aspects of the hotel that add value to their product offered, whereas location is the most significant in terms of potential customers' selection between competitive brands. Meanwhile, Callan & expert (2000), determine cleanliness, the value-for-money potency of service, and safety and security as being important to customers.

Social media

The development of ICTs in the travel and tourism enterprises in the last decade (Buhalis, 2003) has randomly impacted the hospitality domain (Law, 2009; O'Connor and Frew, 2002). As early as 2004, travel and industrial enterprise was recognized as one of the highest exchange terms in the number of online transactions (Werthner and Ricci, 2004). Among the trade, online building booking is that the second largest sales item, after aviation (Marcussen, 2008). Though hoteliers are reluctant in adopting new technologies (Buhalis, 2003; Law and Jogaratnam, 2005), the advantages ensuing from ICT developments have greatly affected the hospitality domain, in every term of promotion prospects and sales opportunities (Schegg et al., 2013). Recent trends record show that today's travelers preferred online information searches. (Xiang et al., 2008) has additionally asserted that undeniably, that travelers spend the time to find correct data on the web, checking completely different information providers (Inversini and Buhalis, 2009) before selecting the most applicable commercial enterprise product and eventually making their online reservations (Vermeulen and Seegers, 2009).

Product Innovation

Academically, the innovation analysis within the service sector began within the 1970s to 1980s, and analysis was basically centered on technological innovation. The critical hypothetical commitments of product innovation as describe by Barras (1986, 1990) say that services in the supplier dominated sector needs the momentum of the producing sector to develop innovations. Since the 1990s, the investigation of development in administrations has well-ordered swollen, offering to ascend to vital commitments. The stress on technological innovation diminished once researchers thought of non-technological parts in innovation processes. It is acknowledged that the world is not simply a passive receiver of innovations developed within the producing business.
All in all, it can be summarized that the customer's understanding, customer's attitude, customer's belief, customer's values, customer's perception, product innovation, and social media are the important attributes of customers that influence for the development of SCH in Malaysia. This paper is therefore tried to examine the relationship between the 6 customer's attributes with customer's perception.

**Conceptual Framework and Research Hypothesis**

This study examined customer perceptions toward Shariah-Compliant hotel in Malaysia. The framework is therefore proposed as the following:

**Customer's attributes**

![Conceptual Framework](image)

Based on the literature discussed, this paper tested 6 important customer's attributes and the relationship with customer's perception towards SCH. The following research hypothesis was tested:

<table>
<thead>
<tr>
<th>H1</th>
<th>There is a significant relationship between customer’s understanding and customer’s perception towards Shariah-Compliant hotel</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2</td>
<td>There is a significant relationship between customer’s attitude and customer’s perception towards Shariah-Compliant hotel</td>
</tr>
<tr>
<td>H3</td>
<td>There is a significant relationship between customer’s value and customer’s perception towards Shariah-Compliant hotel</td>
</tr>
<tr>
<td>H4</td>
<td>There is a significant relationship between customer’s belief and customer’s perception towards Shariah-Compliant hotel</td>
</tr>
<tr>
<td>H5</td>
<td>There is a significant relationship between product innovation and customer’s perception towards Shariah-Compliant hotel</td>
</tr>
<tr>
<td>H6</td>
<td>There is a significant relationship between social media and customer’s perception towards Shariah-Compliant hotel</td>
</tr>
</tbody>
</table>
Methodology

This study employed a quantitative research design in which questionnaires have been distributed to respondents based on the simple random sampling technique to bring on a balance and reliable understanding and representations of the existing demand towards the Shariah-Compliant hotel. The online survey via www.docs.google.com was used as the tools in getting an online response from respondents thru emails of tourists. The questionnaire was arranged into a section of the respondents' demographic profile, their understanding, attitudes, perception, value, belief, social media and product innovation towards the Shariah-Compliant hotel concept. The focused participants were among the generation Y of both Muslims and non-Muslims consumers, both from the domestic and international traveler, who both have visited Malaysian or no longer in the country (foreigners only) and have experienced staying in Shariah Complaint hotel or not. Customer's perception towards Shariah-Compliant hotel was rated using 5 Likert Scale of strongly disagree (1) to strongly agree value (5) of evaluation.

Since 2007, it was recorded that the number of hotels has gradually risen over the past ten years in Malaysia (The Star Online, 2017), with the supply of registered of 3,126 hotels as reported by National Property Information Centre – Napic in 2017. Selangor and Melaka have been chosen as the sample of this study due to a higher number of tourists and their standing as the major tourist attractions and places of interest as compared to other states in Malaysia. Melaka received a high number of tourist and recognized as one of the 5 top tourism generating areas in the UNESCO Heritage City as reported by The Star Online, 2015. On top of that reason, as reported by the Star Online, in 2017, Melaka is placed as the main tourist destination in Malaysia, receiving tourist from Asian nation countries with registered 16.7 million of tourist in 2017.

In spite of getting the appropriate number of 127 as suggested by Krejcie and Morgan (1970), we managed to get 200 respondents as the sample of this study. The Statistical Package for Social Science (SPSS) Software Version of 20.0 was used for the data analysis. A correlation analysis was used to answer the first research questions and the descriptive analysis was used to answer the second research questions for this study.

Reliability of Research instrument

The reliability test was performed to measure the consistency and stability of each item tested in this study. In short, reliability analysis measures the strength of the variable tested in the questionnaire. As suggested by Sekaran and Bougie (2013), Cronbach’s Alpha analysis initiates on how good the items are related to each other. A value score of < 0.6 indicated a poor relationship between variables and > 0.9 indicated an excellent relationship between tested variables.

Descriptive Statistic

For the descriptive statistical analysis, the mean of the descriptive statistic was interpreted by the mean score result. Meanwhile, the Person Correlation Analysis was used to investigate the relationship between customer's attributes and customer perception of SCH. We used correlation analysis to point out the widespread influence of variables between each other (Sekaran and Bougie, 2013). Pearson's correlation evaluated the closeness of the r value to 1 and the interpretation of the
significant value of independent variable towards dependent variables. Table 1 shows the strength of the relationship based on the correlation analysis.

<table>
<thead>
<tr>
<th>Value of Pearson’s Correlation</th>
<th>Strength of The Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>Perfect</td>
</tr>
<tr>
<td>0.88 - 0.99</td>
<td>Very Strong</td>
</tr>
<tr>
<td>0.60 - 0.79</td>
<td>Strong</td>
</tr>
<tr>
<td>0.40 - 0.59</td>
<td>Moderate</td>
</tr>
<tr>
<td>0.20 - 0.39</td>
<td>Weak but Definite</td>
</tr>
<tr>
<td>0.00 - 0.19</td>
<td>Almost Negligent</td>
</tr>
</tbody>
</table>

**Findings**

**Respondents Demographic profile**

The questionnaires were distributed to 200 respondents who visited Selangor and Melaka in between the month of April to Jun 2018 with 100% response rate. The descriptive result of the study includes the analysis of demographic information and 4 customer’s attributes of understanding, attitude, value and product innovation towards Shariah-Compliant hotel. After the reliability analysis, customer’s belief and social media were dropped for the analysis due to a lower reliability score. The questionnaires were arranged into 8 sections of demographic information and perception towards Shariah-Compliant hotel.

<table>
<thead>
<tr>
<th>Total Respondents</th>
<th>Distributed Questionnaire</th>
<th>Returned Questionnaire</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>200</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ITEM</th>
<th>FREQUENCY</th>
<th>PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Male</td>
<td>63</td>
<td>31.5</td>
</tr>
<tr>
<td>• Female</td>
<td>137</td>
<td>68.5</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Below 20</td>
<td>10</td>
<td>5.0</td>
</tr>
<tr>
<td>• 21-30 years old</td>
<td>146</td>
<td>73.0</td>
</tr>
<tr>
<td>• 31-40 years old</td>
<td>36</td>
<td>18.0</td>
</tr>
<tr>
<td>• 41-50 years old</td>
<td>8</td>
<td>4.0</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Single</td>
<td>145</td>
<td>72.5</td>
</tr>
<tr>
<td>• Married</td>
<td>55</td>
<td>27.5</td>
</tr>
<tr>
<td>Religion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Muslim</td>
<td>200</td>
<td>100</td>
</tr>
</tbody>
</table>
The Table 4.2 above shows the majority of the respondents involved in this study were female (68.5%), between 21 to 30 years old (73%), in single status (72.5%), Muslims (100%) and still studying (100%) at the University level. 68% of the respondents had an experienced staying in SCH in Malaysia. In extension, 59.5% of respondents have never heard about SCH compared to only 40.5% respondents who have heard about the existence of SCH. Websites (36%) recorded the highest social media platform the respondents prefer to choose to know about SCH in Malaysia as compared to others social media platforms.

Reliability Analysis

Reliability analysis measures the strength of the variable tested in the questionnaire. The data for reliability testing is inspected with the reading from Cronbach's Alpha result. According to Sekaran and Bougie, (2013), Cronbach's Alpha initiates on how well the items are correlated to each other. Table 4.3 shows that the value for Alpha score closer to 1, indicated the variable has a high internal consistency of reliability.
Table 4.3 Rules of Thumb for Cronbach’s Alpha Coefficient Size

<table>
<thead>
<tr>
<th>Alpha Coefficient Range</th>
<th>Reliability Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 0.6</td>
<td>Poor</td>
</tr>
<tr>
<td>0.6 to 0.7</td>
<td>Moderate</td>
</tr>
<tr>
<td>0.7 to 0.8</td>
<td>Good</td>
</tr>
<tr>
<td>0.8 to 0.9</td>
<td>Very Good</td>
</tr>
<tr>
<td>More than 0.9</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Table 4.4: Reliability Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Final Test (n = 200)</th>
<th>Cronbach’s Alpha(α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer’s understanding</td>
<td>4</td>
<td>.640</td>
</tr>
<tr>
<td>Customer’s attitude</td>
<td>4</td>
<td>.785</td>
</tr>
<tr>
<td>Customer’s values</td>
<td>3</td>
<td>.832</td>
</tr>
<tr>
<td>Customer’s belief</td>
<td>4</td>
<td>.290</td>
</tr>
<tr>
<td>Social media</td>
<td>4</td>
<td>.396</td>
</tr>
<tr>
<td>Product innovation</td>
<td>4</td>
<td>.878</td>
</tr>
</tbody>
</table>

Product innovation and customer's values both recorded a very good internal consistency with customer perception towards SCH with the score of (α = .878) and (α = .832) respectively. The respondents agreed that the new services introduced in SCH contributed significantly to the development of Islamic business, such as on the need to incorporate technologies to improve the provision of service quality, the introduction of new channels for promoting SCH hotels products and services. From the customer's value perspectives, the respondents agreed that SCH provides the required facilities they need, due to a good quality of services provided, and agreed on the facts that the new innovation in SCH leads them to choose the hotel to stay for a vacation.

The customer's attitude and customer's understanding scored the values of (α = .785) and (α = .640) which shown for good and moderate internal consistency of the reliability which indicated that many customers choose Shariah-Compliant hotel due to its safety, comfort, convenience, and adherence to the Shariah principles and rules.

The customer’s belief and social media were both dropped from the analysis due to a lower score of (α = .290) and (α = .396) which indicated both items were not reliable to proceed to the rest of the analysis. Therefore, only 4 items of product innovation, customer's values, customer's understanding, and customer's attitude proceeded for the Pearson's correlation analysis.
Correlation Analysis

Table 4.6 depicts the result of the correlation analysis in this study. This study attempted to identify the relationship between customer understanding and perceptions towards Shariah-Compliant hotel in Malaysia. To understand better customer’s perception in 4 aspects of customer attributes of product innovation, customer’s value, customer's attitude and customer's understanding towards SCH in Malaysia scope of the study, 2 research hypotheses were constructed. Pearson's correlation was used to examine the strength and direction of the relationship between all the constructs tested in the study.

Pallant (2011) states that the values for correlation coefficient ranging from 0.5 to 1.0 is considered as large and suggests on the existence of strong relationship among independent and dependent variable. Cohen (1988) interprets the correlation values as: small/weak when the correlation value is r = .10 to .29 or r = -.10 to -.29, medium/moderate when the value is r = .30 to .49 or r = -.30 to -.49, and large/strong when the value is r = .50 to 1.0 or r = -.50 to -1.0 large.

An initial correlation analysis was performed to analyze the relationship between the customer's perception and customer's attributes towards SCH. Table 2 depicts the correlation between customer's perception and customer's attributes of understanding, attitude, value, and product innovation. 4 customer's attributes aspects of understanding, attitude, value, and product innovation were positively correlated with the perception of SCH and all are statistically significant. The customer's value recorded as having a positive strong correlation (.608) with customer's perception. In contrast customer's understanding recorded as having a positive moderate correlation (.309) with customer's perception of SCH. These correlations are all in the expected directions, and they provide support for the set of design hypotheses.

Table 4.5: Correlation matrix for customer’s attributes and perception

<table>
<thead>
<tr>
<th>Correlation (Probability)</th>
<th>Customer’s understanding</th>
<th>Customer’s attitude</th>
<th>Customers value</th>
<th>Product Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.309**</td>
<td>.413**</td>
<td>.608**</td>
<td>.516**</td>
</tr>
<tr>
<td>Sig. (2 tailed)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)
*Correlation is significant at the 0.05 level (2-tailed)
### Table 4.6 Summary of the result

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Direction</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 There is a significant between customer’s understanding and customer’s perception towards Shariah-Compliant hotel</td>
<td>Positive moderate</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2 There is a significant between customer’s attitude and customer’s perception towards Shariah-Compliant hotel</td>
<td>Positive moderate</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3 There is a significant between customer’s value and customer’s perception towards Shariah Compliant hotel</td>
<td>Positive strong</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4 There is a significant between customer’s belief and customer’s perception towards Shariah Compliant hotel</td>
<td>Weak but definite</td>
<td>Rejected</td>
</tr>
<tr>
<td>H5 There is a significant between product innovation and customer’s perception towards Shariah-Compliant hotel</td>
<td>Positive moderate</td>
<td>Accepted</td>
</tr>
<tr>
<td>H6 There is a significant between social media and customer’s perception towards Shariah Compliant hotel</td>
<td>Weak but definite</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Out of 6 hypotheses tested in this study, 4 hypotheses (H1, H2, H3, and H5) were accepted which confirmed for a significant relationship between customer's attributes and customer's perception of SCH in Malaysia. In contrast, 2 hypotheses (H3 and H6) were rejected. The result obtained from the demographic profile reported that majority of the respondents have never experienced (68%) and heard (59%) about SCH.

For future Islamic hotel development, customers look forward to knowing and learn about SCH via a wide channel of social media platform especially from the websites that the younger generation feels keen to refer as their traveling companions. In order to develop a positive perception and images about SCH, a wider usage of social media platform will give a greater understanding of the SCH concept and practice in Malaysia. The respondent information on the frequency, descriptive analysis, reliability, and correlation analysis were analyzed accordingly to suit the objectives of this study. The frequency analysis covers all the demographic parts of the respondents. Meanwhile, the correlation analysis confirmed the connection between the independent variable and dependent variable to answer the research objective and question of this study.

### Conclusion and Recommendations

The main objective of this study is to explore the customer perceptions towards Shariah-Compliant hotel in Malaysia. The study was conducted in Melaka and Selangor. A total of 200 sets of questionnaires were distributed to tourists coming to Melaka and Selangor to visit interesting places.

As the research aims to identify and measure the relationship between customer attributes and customer perceptions towards Shariah-Compliant hotel in Malaysia the researcher used IBM Statistical Package for Social Science (SPSS) to analyze and measure the data that has been collected.

For research question 1 on measuring the relationship between the customer attributes and customer perceptions towards Shariah-Compliant hotel, the result shows there is the relationship
between the customers' attributes of understanding, attitude, value and product innovation which shapes positive customer's perception about SCH. Customer's value shows the highest Pearson correlation among others (p=0.00, r=0.608) and customer's understanding is the lowest Pearson correlation (p=0.00, r=0.309).

For research question 2 on measuring the level of customer perceptions towards Shariah-Compliant hotel, the result shows that the mean of the all items for customer perceptions falls between 4.27 to 4.54. The total mean score for customer perceptions towards Shariah-Compliant hotel was (M=3.494, sd=0.767) which indicate a high level of customer’s perceptions.

It is hoped the results of the study could provide some ideas to the authority bodies and to industry players to improve the facilities towards Muslim Friendly Hotel. This significant current finding substantially adds knowledge to the visitor’s understanding of customer value from the perspective of the Muslim tourist. Hotel providers need to recognize the importance of numerous values to establish an effective positioning strategy in promoting this type of hotel to global tourists.

The government of Malaysia via Islamic Tourism Centre (ITC) have organized many efforts in promoting and developing the SCH for the whole nation, and as an Islamic Tourism country, there is still room for a continuous improvement. As such, the policy makers for Islamic hotel chain in Malaysia must design rules and regulation, and policy and procedures. Precisely, the Ministry of Tourism, Arts and Cultural of Malaysia (MOTAC) should plan for a long-term wide range approach to further boost the Shariah-Compliant hotel concepts and practices in its policy-making to fulfill the role as a Muslim-friendly tourist destination. The SCH should be advertised to world widely via the social media platform such as Facebook, Twitter, and Instagram as well as promoting Malaysia world widely as an Islamic Tourism destination. Future series of continuous conference, colloquium, and exhibition in Islamic tourism development programmes should be organized annually can develop knowledge and information on the practice of the SCH in Malaysia.

Furthermore, with the number of growing numbers of Muslim tourists, there is a big potential for SCH to the economy and to the hotel industry. Malaysia Islamic hotel chains must be able to provide the basic accommodation services to the tourists and also able to provide a quality of Islamic hospitality that complies to the Islamic Shariah principles world widely. Islamic hotel chain also must be able to use the ICT platform to better serve the worldwide Islamic Tourism market. Future research will be valuable to address the need for SCH issues in a bigger scope especially among the hotels in Malaysia to cater for local and global markets.

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