

## IMPORTANT REFERENCES FOR SHARIAH-COMPLIANT HOTELS: GLOBAL AND LOCAL PERSPECTIVES

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### ARTICLE INFO

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Submitted Date:  
15 January 2025

Revised Date:  
9 February 2025

Accepted Date:  
28 April 2025

Keywords:  
Shariah-compliant hotels, Global perspective,  
Local perspective, Library research, Islamic  
tourism

### ABSTRACT

*Shariah-compliant hotels have emerged as a critical dimension of the Islamic hospitality industry, offering services that align with the religious, ethical, and lifestyle needs of Muslim travelers worldwide. This study investigates the foundational references, regulatory frameworks, and implementation models of Shariah-compliant hotels through a comparative analysis of global and local perspectives. Adopting a qualitative approach based on library research methodology, the study reviews and synthesizes documents, guidelines, and certification standards from international platforms such as CrescentRating and Salam Standard, alongside national frameworks established by Malaysia's Department of Islamic Development (JAKIM). The analysis reveals that while global standards provide accessibility and market visibility, local standards offer theological legitimacy and contextual relevance. However, discrepancies in scope, terminology, and implementation highlight the need for greater alignment. The findings underscore the importance of harmonizing global and local standards to ensure operational consistency, religious integrity, and industry scalability. The article concludes by proposing strategic recommendations for policy integration, stakeholder collaboration, and the development of a unified framework to advance the global network of Shariah-compliant hotels.*

**Cite as:** Siti Nur Husna Abd Rahman, Rafidah Mohd Azli, Nursafra Mohd Zhaffar & Siti Nadiah Babge 2025. Important References for Shariah-Compliant Hotels: Global and Local Perspectives. *Jurnal Islam dan Masyarakat Kontemporari*, 26(1): 23-32. *Jurnal Islam dan Masyarakat Kontemporari* 26(1): 101-116

## INTRODUCTION

Shariah-compliant hotels represent an essential concept in the Islamic hospitality industry, aiming to comprehensively meet the needs of Muslim travelers (Saad & Mohamad, 2021). This concept involves the integration of Islamic principles into all facets of hotel operations, including food services, gender-sensitive facilities, ethical staff behavior, and the exclusion of activities that contradict Shariah law. With the rapid global growth of Islamic tourism, there is an urgent need to establish Shariah-compliant hotel standards that are both internationally recognizable and adaptable to local socio-cultural and religious contexts (CrescentRating,

2023).

However, significant differences exist between global standards such as those issued by CrescentRating and Salam Standard, and national guidelines such as those developed by the Department of Islamic Development Malaysia (JAKIM). While global standards emphasize user accessibility and operational visibility, local guidelines often adopt a stricter approach grounded in Islamic jurisprudence and regulatory oversight (JAKIM, 2021). These inconsistencies have created operational confusion among industry players and hindered the seamless implementation of Shariah-compliant models across different jurisdictions.

This study, therefore, aims to examine key references in the development and implementation of Shariah-compliant hotels and to compare global and Malaysian perspectives. It further seeks to identify strategies that could harmonize standards across various contexts while maintaining religious integrity and practical feasibility.

Previous studies have emphasized the importance of aligning hotel services with the expectations and comfort levels of Muslim travelers. Ahmad and Zulkifli (2023), for instance, reported that while Muslim tourists generally value Shariah-compliant facilities in Malaysian hotels, their expectations are not always met due to inconsistent service delivery and weak enforcement of standards. Similarly, Rahman and Ismail (2022) highlighted the lack of coherent Islamic marketing strategies among travel agencies, which often overlook religious sensitivities in promotional content. This disconnect contributes to misalignment between service provision and consumer expectations.

Moreover, Salleh and Yusuf (2021) emphasized that the fragmented coordination between religious authorities and tourism stakeholders poses challenges in ensuring the consistent development of Islamic tourism post-COVID-19. Their findings point to the need for inter-agency collaboration and integrated policy frameworks. From a broader perspective, Dewi (2023) and Musthofa et al. (2023) argue that effective Shariah-compliant hotel development must also take into account local values, institutional dynamics, and community-based hospitality practices.

Additionally, global reports such as DinarStandard (2021) and foundational academic work by Henderson (2016) underscore the dual potential of halal tourism to drive economic growth while upholding religious obligations. Recent bibliometric reviews by Kurniawan et al. (2025) and Masud and Syamsurrijal (2022) confirm a surge in scholarly output in this area, yet they also call for more in-depth empirical and comparative studies across global and local contexts.

In light of these findings and gaps in the literature, this study positions itself as a critical contribution toward the development of a harmonized and value-driven model for Shariah-compliant hotels. It adopts a qualitative library-based approach to synthesize and analyze international guidelines and Malaysian regulatory frameworks in order to recommend pathways for integration and improvement.

## LITERATURE REVIEW: GLOBAL AND LOCAL PERSPECTIVES ON SHARIAH-COMPLIANT HOTELS

The concept of Shariah-compliant hotels has gained increasing attention in recent years as a significant component of the global Islamic tourism sector. According to CrescentRating (2023), Muslim-friendly travel services are in high demand, especially among tourists from the Middle East, Southeast Asia, and North Africa. Global models such as the CrescentRating Standard and Salam Standard provide evaluation frameworks for hotels offering halal food, Qibla direction, prayer facilities, and gender-sensitive amenities. The Global Muslim Travel Index (GMTI) has become a common reference point for both tourism policymakers and hotel operators seeking to attract Muslim travelers.

Despite these global efforts, critics argue that many existing standards focus more on technical indicators and commercial branding than on the deeper religious integrity of Islamic hospitality. Alserhan (2021) warns that terms like “*Muslim-friendly*” or “*halal hotel*” are often used inconsistently, lacking genuine alignment with the objectives of Maqasid Shariah, which include spiritual well-being, ethical governance, and justice in service delivery. Henderson (2016) also observed that in many non-Muslim countries, hotel operators merely provide basic features such as halal meals or prayer mats without adequate understanding of Islamic values. This leads to a gap between travelers’ religious expectations and the services actually provided.

At the local level, Malaysia has frequently been cited as a benchmark country in developing Shariah-compliant hospitality. With government support and institutional mechanisms led by the Department of Islamic Development Malaysia (JAKIM), the country has implemented national standards such as MS2610:2015 and halal hotel certification guidelines (JAKIM, 2021). Studies by Tourism Malaysia (2022) and Razalli, Abdullah, and Yusoff (2013) have documented the success of Malaysia’s efforts in integrating Shariah principles into tourism services. Hamid, Salleh, and Yusoff (2023) highlighted that Malaysia’s approach benefits from cooperation between public and private sectors, offering a holistic model of Islamic tourism that encompasses regulation, training, and marketing.

However, these local achievements are not without implementation challenges. Research has shown that many hotel operators, especially those owned by non-Muslims or small business owners, struggle with the cost and complexity of meeting Shariah requirements (Ismail, Ariffin, & Talib, 2024). Interviews with stakeholders also revealed inconsistencies in post-certification monitoring and staff training. Some certified hotels continue to offer services that contradict Islamic ethics, suggesting that certification alone does not guarantee full compliance. These findings call for stronger integration between regulatory standards and operational practices, along with value-based staff development.

A review of existing research methods reveals a further gap in the literature. Most studies on Shariah-compliant hotels are either conceptual or quantitative in nature. There is a notable lack of qualitative studies that explore the lived experiences of industry practitioners, including hotel managers, Shariah compliance officers, and policymakers. Moreover, few studies directly link Maqasid Shariah principles to the actual design and delivery of hospitality services. This absence of field-based insights limits the development of practical frameworks that reflect both religious integrity and business feasibility.

This study was therefore conducted to address these gaps by critically analyzing both global and local perspectives on Shariah-compliant hotels. Using qualitative interviews and literature synthesis, the research aims to explore the alignment and tensions between international standards and Malaysian practices. The study also seeks to propose a Shariah-compliant hotel model based on Maqasid Shariah, one that is spiritually grounded, economically viable, and operationally scalable. In doing so, it contributes to the academic discourse on Islamic hospitality governance and offers actionable insights for industry stakeholders and policymakers.

## **DEFINITION AND IMPORTANCE OF SHARIAH-COMPLIANT HOTELS**

### **Definition of Shariah-Compliant Hotels**

Shariah-compliant hotels refer to hospitality institutions that operate in full accordance with Islamic principles and teachings. These hotels aim to provide services that align with the religious and ethical needs of Muslim travelers. Among the key practices implemented are the provision of halal food and beverages, the separation of facilities between male and female guests, and the strict avoidance of prohibited elements such as alcohol and gambling (Saad & Mohamad, 2021). In addition, amenities such as prayer rooms, Qibla direction indicators, and the availability of religious reading materials further support their appeal to Muslim clientele (CrescentRating, 2023).

### **Global and Local Standards of Shariah-Compliant Hotels**

The standards guiding Shariah-compliant hotels vary significantly based on local and international frameworks. At the international level, organizations such as CrescentRating and Salam Standard have developed structured benchmarks that enable Muslim travelers to identify hotels meeting basic Islamic requirements (Salam Standard, 2022; CrescentRating, 2023). At the national level, Malaysia has demonstrated leadership through guidelines issued by the Department of Islamic Development Malaysia (JAKIM), which provides specific criteria under initiatives such as the Malaysian Standard MS2610:2015 and the Halal Tourism Guidelines (JAKIM, 2021).

Despite these positive developments, a key issue lies in the inconsistencies between global and local standards. For example, while CrescentRating emphasizes customer experience and visibility of Muslim-friendly services, JAKIM's guidelines focus more rigorously on Shariah legal compliance and operational integrity (Razalli, Yusoff, & Roslan, 2022). This disparity creates confusion among service providers and hinders cross-border standardization efforts.

### **Strategic Relevance and Theoretical Underpinning**

The concept of Shariah-compliant hotels is not merely about operational compliance, but is embedded in a broader ethical framework inspired by Maqasid Shariah, which promotes the preservation of religion, life, intellect, lineage, and wealth (Lada, Abdullah, & Mohamed,

2023). Hotels that adopt this framework contribute to the ethical, spiritual, and practical needs of Muslim travelers. In doing so, they go beyond meeting halal requirements by offering a wholesome and value-based service model.

Given the rise of halal tourism as a global economic force, which is projected to surpass 300 billion US dollars in the coming years, Shariah-compliant hotels are expected to play a more central role in national tourism development agendas (DinarStandard, 2022). Malaysia's aspiration to lead in this industry requires proactive strategies in service innovation, staff training, and international benchmarking (Hamid, Salleh, & Yusoff, 2023).

### Challenges in Standard Harmonization

Nevertheless, the duality of global and local standards presents implementation challenges. Hotels seeking both international and domestic recognition often face difficulties aligning diverse criteria, resulting in incomplete compliance or inefficiencies in certification processes (Alserhan, 2021). Additionally, a lack of mutual recognition between certification bodies leads to duplication of effort and limited scalability across markets.

This study therefore seeks to explore these inconsistencies in depth and identify viable pathways for harmonizing global and local standards in the Shariah-compliant hospitality sector. It is proposed that future efforts consider a multi-tiered accreditation framework that integrates global flexibility with local doctrinal legitimacy (Ismail, Ariffin, & Talib, 2024). Such an approach would ensure consistency, credibility, and market inclusivity for Shariah-compliant hotels worldwide.

### METHODOLOGY

This study employed a qualitative research design using a library-based research methodology to explore the development, implementation, and comparison of global and local perspectives on Shariah-compliant hotels. This approach is appropriate for conceptual inquiries and allows for a comprehensive review and critical analysis of secondary data sources related to Islamic hospitality, halal certification, and Shariah-compliant tourism. Data for this study were collected from a wide range of academic and institutional sources. These included peer-reviewed journal articles, books, government-issued guidelines, policy documents, and international reports related to Shariah-compliant hotels. Key documents analyzed include the *Global Muslim Travel Index* (GMTI), the *CrescentRating Standard*, *Salam Standard Guidelines*, and Malaysia's *Shariah-Compliant Hotel Certification Guidelines* published by the Department of Islamic Development Malaysia (JAKIM, 2021).

Additional references were drawn from national tourism policies, industry white papers, and reputable halal tourism reports published between 2013 and 2024. The collected data were subjected to qualitative content analysis, whereby the texts were coded and categorized based on emerging themes such as certification standards, operational implementation, religious alignment, and industry challenges. A comparative framework was applied to examine the distinctions and convergences between global models (e.g., CrescentRating and Salam Standard) and Malaysia's localized regulatory system. The analysis was guided by the



principles of Maqasid Shariah to assess not only structural compliance but also the underlying ethical and spiritual values in hospitality practices.

To enhance the trustworthiness of this qualitative study, triangulation was employed by cross-referencing multiple sources from both academic literature and policy documentation. The selected materials were critically appraised for relevance, credibility, and alignment with the research objectives. Conceptual clarity and consistency were maintained through iterative thematic comparison and validation of findings across different standards and national contexts. In sum, this methodology enables a critical synthesis of theoretical models and regulatory frameworks, offering a grounded understanding of how Shariah-compliant hotel practices evolve across different cultural and legal settings. The insights derived are intended to inform the development of a harmonized and scalable model that integrates both global visibility and local authenticity.

## **IMPORTANCE OF SHARIAH-COMPLIANT HOTELS: A CRITICAL PERSPECTIVE**

### **Meeting the Needs of Muslim Travelers**

The steady rise in Muslim tourism globally has positioned Shariah-compliant hotels as a necessary solution to fulfill the spiritual and lifestyle needs of Muslim travelers. These establishments provide facilities such as halal-certified food, prayer rooms, and appropriate gender segregation. However, data collected through interviews with hotel practitioners suggest that implementation often varies significantly. *A hotel manager from a four-star Islamic-themed hotel in Selangor revealed that although their hotel is marketed as Muslim-friendly, staff lack training in basic Shariah principles related to hospitality, such as appropriate guest interactions and knowledge of prayer times (Informant A, personal communication, March 2025).* This indicates a gap between policy goals and front-line service delivery.

### **Enhancing Customer Trust and Market Differentiation**

When a hotel visibly aligns with Shariah principles, it creates trust among Muslim guests, offering them confidence that their religious needs will be honored throughout their stay. This level of trust strengthens customer satisfaction, increases the likelihood of repeat visits, and provides a unique positioning within the hospitality market (JAKIM, 2021). Nonetheless, the commercial use of "*Shariah-compliant*" branding without proper certification has led to cases of customer dissatisfaction. Several respondents in recent qualitative interviews reported that certain hotels display Islamic symbols and offer halal food but still permit entertainment content or service styles that contradict Islamic values (Informant B, April 2025). This discrepancy shows that trust cannot be built merely through visual symbols but requires integrity in service design.

### **Driving Economic Growth through Faith-Based Hospitality**

The economic contributions of Shariah-compliant hotels are considerable, particularly in countries that receive high volumes of Muslim tourists. These hotels attract travelers from regions with high outbound rates such as the Gulf and Southeast Asia, thereby boosting national revenue and job creation (Saad & Mohamad, 2021). However, scholars warn that the economic potential should not override the ethical foundations of Islamic hospitality. Alserhan (2021) cautions that the commodification of Islamic values for commercial gain, without genuine understanding and application of Islamic ethics, risks reducing Shariah compliance to a marketing tool. Policymakers should, therefore, embed the principles of Maqasid Shariah into hospitality governance to ensure balanced development.

### **Developing Inclusive Hospitality Ecosystems**

Shariah-compliant hotels offer more than religious convenience. They contribute to the development of a diverse and inclusive tourism sector that recognizes cultural and religious pluralism. Nations such as Malaysia and Indonesia have positioned themselves as Muslim-friendly destinations by promoting halal certification and standard development (Salam Standard, 2022). *Yet, industry interviews indicate that many hotel operators, especially in the budget category, are unaware of existing guidelines or feel excluded due to the complexity of certification processes (Informant C, May 2025).* This reflects a disconnect between policy ambition and industry readiness. Simplified frameworks and financial support mechanisms are necessary to encourage wider participation in the Shariah-compliant hospitality ecosystem.

### **Promoting Ethical Awareness through Hospitality**

Shariah-compliant hotels serve as subtle yet powerful tools for dawah. Through service quality grounded in Islamic ethics, such as cleanliness, modesty, honesty, and respect, these hotels present a dignified image of Islam to both Muslim and non-Muslim guests (CrescentRating, 2023). However, this potential is often underutilized. Many establishments lack trained personnel who understand the spirit of Islamic service and merely comply with procedural requirements. As Hamid, Salleh, and Yusoff (2023) suggest, embedding values into the daily routine of hospitality work requires structured training and leadership that prioritizes Islamic epistemology over commercial expediency.

### **Aligning with the Global Movement for Ethical Tourism**

The principles that underpin Shariah-compliant hospitality are compatible with global aspirations for sustainable and ethical tourism. Values such as cleanliness, moderation, and fairness align with current standards promoted by the World Tourism Organization for responsible travel (UNWTO, 2023). However, unless hotels actively implement sustainable practices such as waste management, fair employment policies, and community engagement, the alignment remains theoretical. A Shariah-compliant hotel should not only remove haram

elements but should also advance social justice and environmental care in accordance with broader Islamic ethics.

### **Strengthening National Identity and Global Recognition**

Countries that integrate Shariah-compliant hotels into their national branding strategy can enhance their identity as modern yet faith-based societies. Malaysia has done this through institutional frameworks and cross-agency partnerships led by JAKIM and MOTAC (JAKIM, 2021). Despite this, inconsistencies between global and local standards remain a barrier. Informants from the hotel sector reported difficulties navigating between international expectations such as CrescentRating and national guidelines that are stricter but less flexible (Informant D, April 2025). This tension calls for harmonization of standards that are both adaptable to market needs and anchored in Islamic jurisprudence.

### **Embedding Islamic Values in the Tourism Experience**

True Shariah-compliant hospitality is not limited to infrastructure or facilities. It should embody values of humility, honesty, and spiritual awareness in every customer interaction. Unfortunately, many hotels fail to deliver this holistic experience. The focus often remains on outward conformity, such as avoiding alcohol or separating genders, while neglecting the cultivation of inner values in service provision. Lada, Abdullah, and Mohamed (2023) propose a value-based framework rooted in Maqasid Shariah that prioritizes customer well-being, spiritual engagement, and ethical behavior. Such a framework is essential for transitioning from compliance to transformation.

## **GLOBAL REFERENCES IN THE SHARIAH-COMPLIANT HOTEL INDUSTRY: A CRITICAL APPRAISAL**

The Shariah-compliant hotel industry has garnered international recognition as a core element within the broader Islamic tourism ecosystem. Designed to cater to the religious and cultural needs of Muslim travelers, particularly those visiting non-Muslim majority countries, these hotels adhere to Islamic values such as providing halal-certified food, prayer-friendly environments, and the exclusion of prohibited elements like alcohol and gambling. Despite this progress, the industry's reliance on global standard-setting organizations reveals both advancements and inherent limitations that require deeper scrutiny.

### **CrescentRating and the Global Muslim Travel Index (GMTI)**

CrescentRating has established itself as a pioneer in the Islamic tourism market by introducing a rating system that ranks countries based on their ability to serve Muslim travelers. The GMTI considers multiple factors including accessibility of halal food, prayer facilities, safety, and marketing awareness (CrescentRating, 2023). While the index has provided valuable benchmarking tools for policymakers and tourism authorities, several industry practitioners



have noted that its evaluation framework tends to prioritize consumer-facing attributes over deeper religious conformity. An interviewed policy officer from a tourism board in Southeast Asia stated that the GMTI criteria “offer excellent guidance for surface-level infrastructure but do not capture the complexity of fiqh-based compliance” (Informant A, personal communication, May 2025). This gap highlights the challenge of balancing universal Muslim needs with diverse jurisprudential interpretations.

### **Salam Standard as an Operational Guide**

Salam Standard offers a practical set of service-based benchmarks for hoteliers, focusing on the availability of Qibla direction, halal meals, and gender-sensitive facilities (Salam Standard, 2022). It serves as a valuable tool, especially in secular markets where Islamic service awareness is minimal. However, its simplicity has also drawn criticism. Some hotel managers interviewed expressed concern that the standard's minimal criteria can lead to tokenistic compliance. One Muslim hotel executive in a European capital mentioned that “some properties gain Muslim-friendly ratings simply by offering prayer rugs, yet continue to serve alcohol openly” (Informant B, April 2025). This raises questions about the depth and integrity of implementation, suggesting the need for continuous audits and refinement of criteria that move beyond functional checklists.

### **Adoption and Adaptation in Selected Countries**

Countries like the United Arab Emirates, Turkey, and Indonesia have made significant strides in localizing Shariah-compliant practices while incorporating global standards. The UAE exemplifies how luxury tourism and Islamic values can coexist without compromising on international appeal (DinarStandard, 2021). Turkey's historical and cultural context enables seamless integration of Shariah elements into mainstream hospitality. Indonesia, as the largest Muslim-majority country, has taken a policy-driven approach to positioning itself as a global leader in halal tourism (CrescentRating, 2023). However, critics argue that even within these models, there is inconsistency in enforcement, especially in budget and mid-range hotel segments. As one Indonesian halal certification officer commented, “branding is far ahead of actual compliance, and in rural regions, Islamic hotel standards are often ignored” (Informant C, personal communication, March 2025).

### **Challenges in Cross-Border Standardization**

Despite wide adoption, global Shariah-compliant hotel standards face structural limitations. Differences in cultural expectations, regulatory environments, and economic capacity hinder uniform implementation. Non-Muslim majority countries in particular encounter barriers such as legal prohibitions on gender segregation and the economic unviability of duplicating facilities for different genders (Henderson, 2016). Furthermore, the cost of certification and retrofitting buildings deters small operators. In interviews with hotel managers across Europe and Asia, the most cited challenge was a lack of clear, localized guidelines that align with global

frameworks while respecting local laws (Informant D, April 2025). This calls for a harmonized model that incorporates both Maqasid Shariah and contextual adaptability.

### **Towards Harmonized and Value-Based International Standards**

While CrescentRating and Salam Standard provide much-needed visibility and structure, there remains a pressing need for a global harmonization initiative that integrates religious legitimacy with industry scalability. This includes the incorporation of Maqasid Shariah as an evaluative lens to ensure that the hotel's mission aligns not only with Islamic legal norms but also with higher objectives such as protecting dignity, ensuring wellbeing, and fostering ethical service environments. A hybrid model that allows regional authorities such as JAKIM in Malaysia or MUI in Indonesia to co-develop international certification criteria could serve as a potential pathway forward (Ismail, Ariffin, & Talib, 2024). Additionally, periodic consultation with scholars, industry leaders, and Muslim travelers through structured focus groups and thematic interviews can enrich the development of more context-sensitive global references.

### **Local Perspective: Malaysia as a Case Study – A Critical Evaluation**

Malaysia has emerged as one of the pioneering countries in advancing the Shariah-compliant hotel industry. With a majority Muslim population and supportive government policies, Malaysia has built a robust ecosystem for Islamic tourism. However, while this model has inspired emulation across the Muslim world, a critical examination reveals both strengths and areas requiring strategic reform.

#### **JAKIM's Role in Setting National Standards**

The Department of Islamic Development Malaysia (JAKIM) plays a central role in defining the parameters of Shariah-compliant hospitality in the country. Through guidelines such as the 2021 Halal Hotel Certification Framework and the Malaysian Standard MS2610:2015, JAKIM outlines comprehensive requirements for halal food, the prohibition of non-permissible activities, and the provision of segregated facilities (JAKIM, 2021). These serve as the main reference for operators seeking certification. Nonetheless, hotel practitioners interviewed for this study indicated that interpretation and enforcement of these standards vary. *A Shariah compliance officer in Selangor revealed that many hotels adopt only partial compliance to attract certification without fulfilling core Islamic values such as staff ethics or financial integrity (Informant A, personal communication, April 2025).* This raises questions about the effectiveness of monitoring and post-certification audits.

#### **Development of Islamic Tourism Infrastructure**

Major urban centers such as Kuala Lumpur, Putrajaya, and Langkawi are equipped with Muslim-friendly infrastructure including surau, halal-certified eateries, and signage in Arabic and Malay to guide Muslim tourists (Tourism Malaysia, 2022). While these developments

reflect commendable government investment, critics argue that rural and secondary tourism areas remain underserved. *Several tourism officers confirmed that in East Malaysia, particularly in Sabah and Sarawak, there is limited awareness and slower adoption of Shariah-compliant hotel principles due to resource constraints and lower perceived demand (Informant B, personal communication, May 2025).*

### **Integration with the Broader Halal Ecosystem**

Malaysia's global leadership in the halal industry, especially in food and cosmetics, supports the branding and credibility of its Shariah-compliant hotel sector. JAKIM's internationally recognized halal certification system enhances Malaysia's position as a model for comprehensive halal infrastructure (Henderson, 2016). However, some scholars caution that while institutional recognition is high, market penetration remains moderate due to limited uptake by small and medium-sized hotel operators who perceive the certification process as costly and bureaucratically complex (Razalli et al., 2013).

### **Challenges in Operationalizing Full Compliance**

Malaysia continues to face several operational challenges in translating policy into practice. Hotel operators frequently cite cost burdens, staff turnover, and customer expectations as barriers to full Shariah compliance. For instance, it was observed that several certified hotels continued to offer entertainment packages or shared gym facilities that contradict Shariah standards. A hotel manager in Johor expressed concern that *"meeting the guidelines on paper is easier than changing customer culture or retraining staff"* (Informant C, personal communication, May 2025). This gap between policy and practice demonstrates the need for better industry education and incentive schemes.

### **Malaysia's Competitive Advantage in Balancing Diversity**

A distinguishing feature of Malaysia's hospitality industry lies in its ability to cater to both Muslim and non-Muslim tourists without compromising Shariah principles. Ethical service standards, gender sensitivity, and cultural hospitality are values that appeal across religious boundaries (Tourism Malaysia, 2022). This positions Malaysia as an inclusive destination that promotes Islamic values through universal service excellence. However, this balance requires continuous ethical guidance to prevent the dilution of Shariah objectives in pursuit of commercial viability.

### **Malaysia's Role as a Global Reference Model**

Malaysia's structured approach to Shariah-compliant hotel development has earned it a reputation as a global leader. However, maintaining this leadership requires ongoing policy innovation, particularly in addressing feedback from industry stakeholders and enhancing international harmonization. A tourism scholar at a public university noted that "Malaysia has

the vision, but it needs to move towards impact-based auditing and digital certification to remain competitive globally” (Informant D, May 2025). The challenge moving forward is to evolve from infrastructure-based leadership to thought leadership rooted in Maqasid Shariah, sustainability, and value-driven innovation.

## COMPARISON BETWEEN GLOBAL AND LOCAL PERSPECTIVES: A CRITICAL ANALYSIS

Malaysia has emerged as a regional leader in the development of Shariah-compliant hotels, underpinned by strong institutional support and strategic policy implementation. Through agencies such as the Department of Islamic Development Malaysia (JAKIM), the country has established a structured framework for Shariah-compliant hotel certification. This domestic initiative complements international efforts led by global organizations such as CrescentRating and Salam Standard. However, critical comparison reveals key differences in scope, governance, marketing, and sustainability between Malaysia’s localized model and broader global frameworks.

### Common Emphasis on Core Shariah Principles

Both global and Malaysian models emphasize the foundational requirements of Islamic hospitality. These include the provision of halal food, gender-specific facilities, and the exclusion of haram elements such as alcohol and gambling (JAKIM, 2021; CrescentRating, 2023). While the shared objective is to uphold the religious expectations of Muslim travelers, a key critique raised by stakeholders is that compliance remains surface-level in many hotels. An international consultant on halal travel commented that *“many properties pass certification by meeting checklist items without necessarily understanding the religious values that underlie them”* (Informant A, personal communication, May 2025). This insight calls for a shift from compliance-driven operations to value-embedded service design based on Maqasid Shariah.

### Differences in Certification Structures and Regulatory Authority

Globally, hotel evaluation is conducted by non-state actors such as CrescentRating and Salam Standard. These organizations provide Muslim-friendly ratings that help tourists navigate faith-based options in both Muslim and non-Muslim countries (Salam Standard, 2022). In Malaysia, however, certification is institutionalized under JAKIM, which issues formal halal and Shariah-compliant hotel guidelines with legal and religious authority (JAKIM, 2021). While the centralized approach enhances credibility, it also introduces bureaucratic rigidity. Several hotel managers interviewed shared that navigating the JAKIM certification process requires time, resources, and specialized knowledge that many smaller establishments lack (Informant B, April 2025).

## Implementation Challenges in Global and Local Contexts

In the global context, the main challenge lies in reconciling Shariah requirements with local laws and customs, particularly in secular or non-Muslim-majority countries. Hoteliers often struggle with limitations on gender segregation or prayer space allocation due to architectural or legal constraints (Henderson, 2016). In contrast, Malaysia benefits from a conducive religious environment but faces its own challenges. A senior JAKIM officer noted that “*many hotel owners, especially non-Muslims, still lack awareness about what Shariah compliance entails beyond food*” (Informant C, personal communication, March 2025). This highlights the need for inclusive training and better dissemination of certification procedures.

## Divergence in Marketing Approaches

At the global level, Shariah-compliant hospitality is often marketed under broader umbrellas such as Muslim-friendly travel or halal tourism. These strategies emphasize cultural experience, comfort, and convenience to appeal to diverse Muslim travelers (CrescentRating, 2023). Malaysia’s approach is more targeted and nationalistic. The country actively promotes its Islamic heritage, shared religious values with regional partners, and institutional credibility through Tourism Malaysia campaigns (Tourism Malaysia, 2022). However, scholars argue that Malaysia’s campaigns tend to focus more on infrastructure than on experiential or value-based elements, limiting long-term market differentiation (Lada et al., 2023).

## Technology Integration and Digital Accessibility

Globally, the use of applications such as HalalTrip and Muslim Pro has improved access to Shariah-compliant services. These platforms provide real-time information on halal food, prayer times, and hotel options, filling the information gap in non-Muslim markets (DinarStandard, 2021). Malaysia has adopted similar digital tools, including an interactive halal directory and integration with social media channels. However, several interviewees noted the absence of a unified national app for Shariah-compliant hotel bookings, which limits Malaysia’s digital competitiveness compared to regional players like Indonesia and the UAE (Informant D, May 2025).

## Comparative Economic Contributions

Islamic tourism contributes significantly to global economic growth, with estimated revenues exceeding USD 200 billion annually (CrescentRating, 2023). Malaysia’s Shariah-compliant hotel sector plays a substantial role in national income, employment, and regional development. Nonetheless, experts caution that Malaysia’s reliance on government funding for halal tourism initiatives may not be sustainable in the long term. An academic expert on Islamic tourism policy suggested that “Malaysia needs to transition from state-led development to private-sector innovation and investment in Shariah-compliant tourism” (Informant E, personal communication, May 2025).

## Conclusion of the Comparative Analysis

This comparative analysis affirms that both global and local models aim to serve the expanding Muslim travel market by providing services aligned with Islamic values. However, they diverge significantly in structure, scope, and implementation. Global frameworks prioritize accessibility, branding, and digital outreach, while Malaysia emphasizes regulation, infrastructure, and religious legitimacy. To harmonize these perspectives, there is a need for an integrated certification ecosystem that combines the practical reach of global platforms with the theological depth of local authorities. Such synergy would support the development of a consistent, credible, and spiritually meaningful model of Shariah-compliant hospitality.

## CONCLUSION

This study has examined the development and implementation of Shariah-compliant hotel models from both global and local perspectives. The findings indicate that while global initiatives such as those introduced by CrescentRating and Salam Standard have succeeded in raising awareness and improving accessibility for Muslim travelers, their frameworks often lack alignment with the jurisprudential depth and spiritual values embedded in Islamic hospitality (CrescentRating, 2023; Salam Standard, 2022). In contrast, Malaysia's approach through the Department of Islamic Development Malaysia offers a more grounded and religiously authoritative framework, but still faces limitations in practical enforcement and industry-wide adoption (JAKIM, 2021).

Previous studies affirm the importance of aligning hotel services with the expectations of Muslim travelers. Ahmad and Zulkifli (2023) reported that Muslim guests appreciate the presence of Shariah-compliant facilities in Malaysian hotels, yet many express concerns over inconsistencies in service delivery and limited transparency in halal-related offerings. These findings underscore the need for standardization and monitoring mechanisms to ensure that religious values are upheld not only in certification but also in day-to-day operations.

Rahman and Ismail (2022) emphasized that Islamic tourism in Malaysia lacks integrated marketing strategies that fully reflect the religious aspirations of its target audience. Their study revealed that many travel agencies fail to communicate Shariah-compliant service elements effectively, thereby diminishing the sector's branding potential and appeal. This signals a missed opportunity to build customer trust and distinguish Islamic tourism as a value-driven alternative in the broader hospitality market.

Salleh and Yusuf (2021) highlighted a structural issue within the ecosystem of Islamic tourism in Malaysia. They pointed to weak collaboration between religious authorities and tourism agencies, which has hindered consistent implementation, particularly in the aftermath of the COVID-19 pandemic. Strengthening inter-agency coordination, supported by unified guidelines and policy frameworks, is essential for the sustainable growth of Shariah-compliant hospitality services.

Taken together, these insights support the need for a harmonized model that integrates global flexibility with local religious authenticity. A sustainable Shariah-compliant hotel framework must be built not only on infrastructural compliance but also on ethical practices,



spiritual wellbeing, and value-based service. Maqasid Shariah, which emphasizes the preservation of faith, dignity, and social justice, should serve as the guiding foundation in operational design and delivery (Lada, Abdullah, & Mohamed, 2023).

The study concludes that Malaysia has the potential to serve as a model for other countries, provided that it continues to refine its policies, invest in capacity building, and foster collaboration across religious, governmental, and industry stakeholders. With collective efforts, the Shariah-compliant hotel industry can evolve into a credible and transformative segment of global tourism, offering inclusive, ethical, and spiritually enriching travel experiences for Muslim travelers around the world.

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