

THE ROLE OF ONLINE TOURIST AGENCIES IN THE DEVELOPMENT OF HALAL TOURISM

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Abstract: This article explores the growing commitment to addressing the unique requirements of Muslim travelers within the global hospitality and tourism sector. It delves into the three primary reasons behind this trend, namely the lifestyle-oriented approach to Islam, the increasing income and economic prosperity of Muslim-majority countries, and the burgeoning market for halal tourism. The article also highlights the potential market opportunities presented by catering to the faith-based needs of Muslim tourists and emphasizes the significance of adapting to these evolving demands within the hospitality industry. Online tourist agencies play a crucial role in shaping the needs of Muslim travelers in the growing Halal tourism industry. The increasing Muslim population and their rising disposable income have resulted in more Muslims engaging in travel for various purposes, including leisure, business, health, and religious activities. As a result, Muslim travelers have emerged as one of the fastest-growing segments in the tourism industry.

Introduction: The increasing importance of catering to faith-based needs in the hospitality and tourism industry can be attributed to several key factors. From the growing emphasis on lifestyle choices and the integration of Islamic principles into daily living to the rise of Muslim-majority economies and the expanding market for halal tourism, the demand for accommodations and services that accommodate the needs of Muslim travelers is on the rise.

Classification of the needs of Muslim tourists in Halal tourism

The Muslim population is growing rapidly and is expected to make up 26 percent of the world's population by 2037. The growth of the Muslim population and their increasing disposable income has led many Muslims to travel for leisure, business, health and religious purposes. This growth has led to Muslim travelers becoming one of the fastest growing travel segments in the tourism industry.

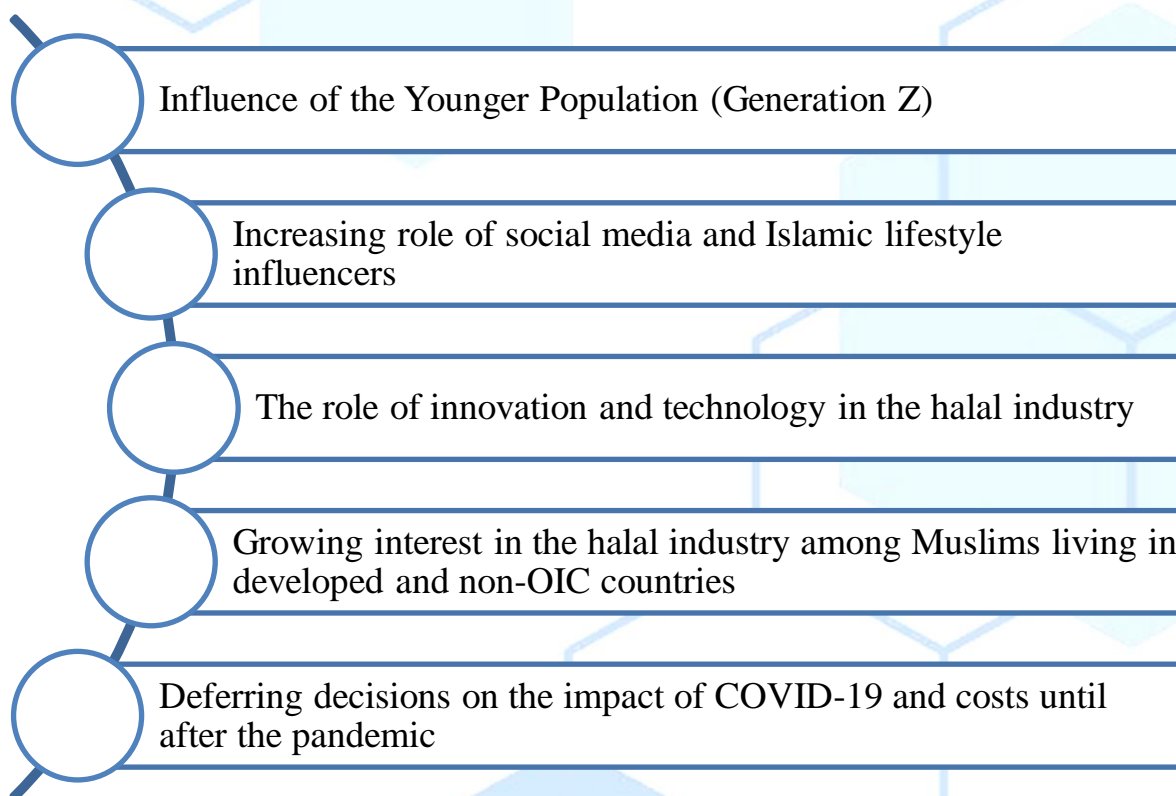
The percentage of Muslim tourists is expressed in the following figures:

- ✓ In 2020, 24.7 percent of the world's population were Muslims;
- ✓ In 2030, it is predicted that 26 percent of the world's population will be Muslims;
- ✓ 50 percent of Muslims are under the age of 25;

- ✓ 70% of the population of the Arab world are young people under the age of 25;
- ✓ In Europe and North America, 66 percent of the Muslim population is under 30 years old.

The number of international Muslim travelers increased from an estimated 108 million in 2013 to 160 million in 2019. This represents a CAGR of 7.5 percent over the same period.

As the pandemic has had a major impact on the tourism sector (Figure 1), the number of Muslim tourists has decreased by 42 million in 2020. More than 90% of these trips took place in the first quarter of 2020, before most destinations closed their borders.



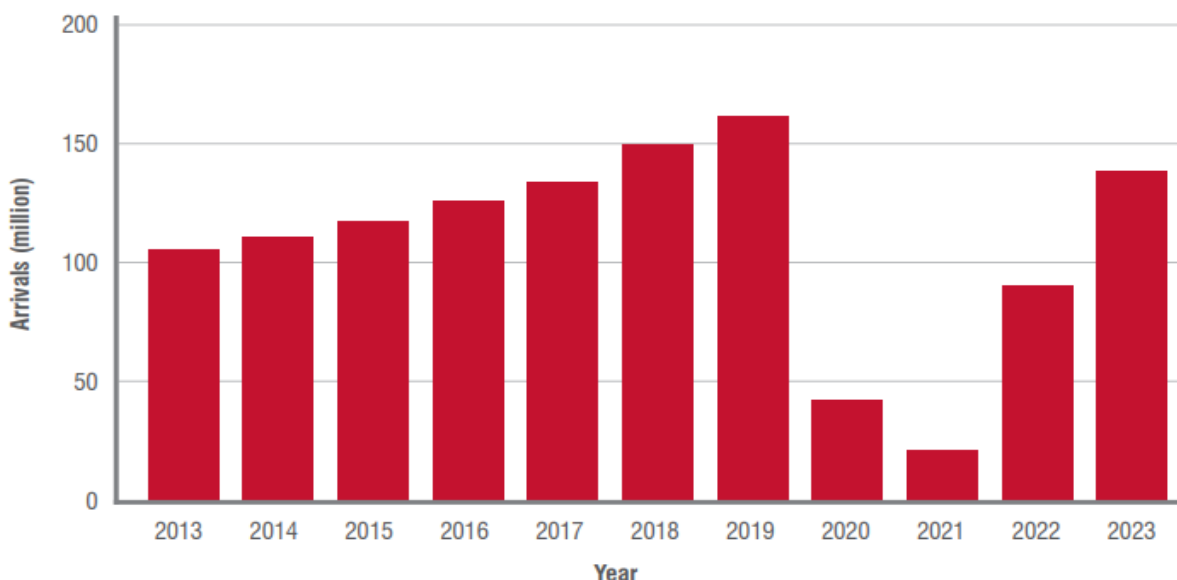
1-figure. Key trends affecting the halal industry

As international borders are expected to gradually open in the second half of 2021, the number of Muslim tourists is expected to reach 26 million in 2021. Also, the Muslim travel market will recover to 80 percent by 2023 compared to 2019

levels.

(Figure

2).



2-figure. Muslim Travel Index (2013-2023))¹.

Below, we will consider the impact of changes in the needs of Muslims on the number of travelers in different customer profiles. Also, the degree of change in needs during the pandemic will be considered.

Faith-Based Needs:

Faith is increasingly influencing Muslim purchasing decisions. This is indicative of the rapid growth of the Islamic world industry, namely Islamic banking, halal food, Islamic fashion, halal cosmetics and other related industries. Pew Research reports, as shown in Table 1, that Muslims in 39 countries are increasing their observance of the five pillars of Islam.

1- table: General observance of the five practices²

| | Average tracking in 39 countries |
|--|----------------------------------|
| Belief in God (Allah) and Prophet Muhammad | 97% |
| Daytime fasting during Ramadan | 93% |
| Paying Zakat (giving charity) | 77% |
| Praying (five daily prayers) | 63% |
| Hajj (pilgrimage) to Mecca | 9% |

The growing commitment to faith-based needs can be attributed to three main reasons:

¹ MASTERCARD-CRESCENTRATING GLOBAL MUSLIM TRAVEL INDEX 2021

² Pew Research Center’s August 2012 report, “The Worlds’ Muslims: Unity and Diversity”

1-reason: "Lifestyle": Muslims see Islam as a 'way of life' in which its guidelines and values apply to all aspects of their lives, including their consumption behaviour. focuses on food ("Halal" options), family-friendly environment, religious practices, housing, gender relations, modest clothing, education, finance and other areas. Many of these values have universal appeal, and products and services are not necessarily designed exclusively for Muslims.

2-reason: Growing income and comfortable environment. The recent growth of this religion-based market is also due to the fact that some of the countries with the fastest growing economies today have large Muslim populations. Bangladesh, Indonesia, Saudi Arabia, UAE, Malaysia, Nigeria, Turkey, and others are among the fastest growing economies, resulting in a growing middle class and high income population. This rising income level is driving consumers to satisfy their unique consumption needs. This trend is supported by the growing and halal industries of the largest Muslim economies of Malaysia, Saudi Arabia and Turkey.

3-reason: This belief as a key attribute of the real market is already real and growing for Muslim consumers. Considering the proximity to the Muslim market, it is natural that the volume of mutual trade will increase between Muslim countries. Therefore, the volume of trade within the OIC countries will also increase. Many Muslim travelers are traveling to Muslim-majority countries (eg Turkey, Malaysia) based on proximity, safety and convenience (eg halal food, family-friendly environment, places to pray, etc.).

OTAs in Halal Tourism - the demand of tourists in the globalization era

Spending by Muslim tourists is expected to increase to US\$220 billion by 2020, and the number of Muslim tourists is expected to increase from 121 million to 156 million in 2016. This is according to the Global Muslim Travel Index (GTMI) 2017, developed by Mastercard and CrescentRating (a "halal-friendly" travel consultancy). Halal tourism is undoubtedly a growing market segment, offering destinations that cater to Muslim tourists' needs for food, clothing or rituals. Translated from Arabic, "halal" means permissible according to Islamic teachings.

Many countries with an emerging middle class and rising incomes - Muslim or not - want to attract tourists. Malaysia, the United Arab Emirates, Indonesia and Turkey are among the leading countries for Muslims (Figure 3). Singapore, Thailand and Great Britain are the leaders among the non-Islamic or OIC (Organization of the Islamic Conference) countries (Figure 4).

Despite being a predominantly Buddhist country, with a large Muslim population in the south, Thailand has proven to be a popular destination for Muslims looking for cheap holidays and food, mainly from Indonesia.



As for the UK, Muslim spending was expected to rise to US\$4.1 billion by 2020, despite an increase in Islamophobic views following the recent terror attacks in London and Manchester.

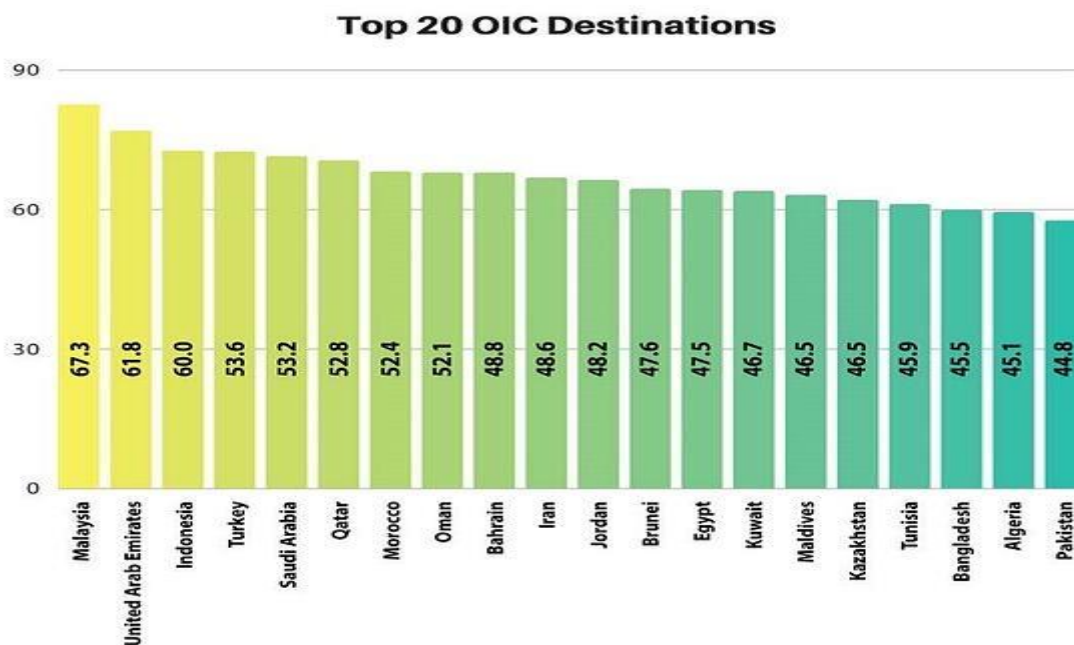


Figure 3. Popular OIC destinations³

Figure 4. Destinations that are not members of the OIC organization⁴.

Adapting to the needs of Muslim travelers

Given the potential of this segment, it is important for the hospitality industry to adapt to the changing halal requirements to meet the needs of Muslim tourists.

³ <https://hospitalityinsights.ehl.edu/halal-tourism-global-industry>

⁴ <https://hospitalityinsights.ehl.edu/halal-tourism-global-industry>

In conclusion, the expanding commitment to addressing faith-based needs, particularly in the context of Halal tourism, reflects a significant shift in the global travel and hospitality industry. This development can be attributed to various factors, including the lifestyle-centric nature of Islam, the rise in income and economic prosperity of Muslim-majority countries, and the increasing interconnectivity and trade between Muslim nations. The growing demand for Halal tourism has resulted in a substantial market segment, with spending by Muslim tourists projected to reach US\$220 billion by 2020, as per the Global Muslim Travel Index.

As the Muslim travel market continues to expand, it becomes increasingly crucial for the hospitality industry, including online tourist agencies, to adapt and cater to the evolving Halal requirements to effectively meet the needs of Muslim travelers. This adaptation encompasses not only the provision of Halal food, clothing, and facilities for religious practices but also the creation of a welcoming and inclusive environment that respects and aligns with Islamic principles and values.

Furthermore, the appeal of Halal tourism is not limited to Muslim-majority countries, as destinations worldwide are recognizing the potential of attracting Muslim tourists and adapting to their specific needs. As a result, the ongoing adaptation to the changing demands of Muslim travelers presents an opportunity for the hospitality and tourism industry to not only tap into a lucrative market but also foster greater inclusivity and cultural understanding.

In essence, the future of Halal tourism lies in the proactive and strategic adaptation of the industry to cater to faith-based needs, thereby ensuring a positive and accommodating experience for Muslim travelers and contributing to the overall growth and diversification of the global tourism market.

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