

**THE AWARENESS AND ACCEPTANCE OF LOCAL CUSTOMERS
TOWARD SYARIAH COMPLIANT PRACTICES IN HOTEL INDUSTRY**



**RESEARCH MANAGEMENT INSTITUTE (RMI)
UNIVERSITI TEKNOLOGI MARA
40450 SHAH ALAM, SELANGOR
MALAYSIA**

BY :

**NUR'HIDAYAH CHE AHMAT
AHMAD HIDAYAT AHMAD RIDZUAN
ASSOC. PROF. DR MOHD SALEHUDDIN MOHD ZAHARI**

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1. Letter of Report Submission

Our Ref. : 600-RMI/SSP/DANA 5/3/Dsp (121/2011)

Date : 10th October 2011

Assistant Vice Chancellor (Research)
Research Management Institute
Universiti Teknologi MARA
40450 Shah Alam
Selangor Darul Ehsan

Dear Sir,

FINAL REPORT: "THE AWARENESS AND ACCEPTANCE OF LOCAL CUSTOMERS TOWARD SYARIAH COMPLIANT PRACTICES IN HOTEL INDUSTRY"

I refer to the matter above.

Please find enclosed herewith 2 (two) copies of Excellent Fund Final Report entitled "The Awareness and Acceptance of Local Customers toward Syariah Compliant Practices in Hotel Industry" for you kind perusal. The softcopy of the report attached in a CD.

Thank you



NUR HIDAYAH CHE AHMAT
Head of Project

5. Report

5.1 Proposed Executive Summary

The large growing number of followers of Islam globally and current tourism trends boost up the demand for and supply of Islamic hospitality services. It is believed that the emergence of Islamic financing is one of the driving factors of Syariah Compliant hotels besides the increasing number of Arab and Muslim travellers and their high purchasing power. However, specific guidelines need to be introduced in constructing this concept since there are many different opinions and inconsistencies in understanding such practices among the Syariah scholars and hotel operators. Corpus of past literatures affirmed that currently there is no standardization being introduced and it is worth to mentioned, most of the hotel operators came out with their own interpretation of compliant strategies. They overly concentrated on to be the pioneer while neglecting the main aspect of being a Syariah Compliant hotel. Therefore, this study empirically investigates the awareness and acceptance level of the customers on Syariah Compliant practices. Three areas being tested namely, a) operations, b) interior design, and c) financial. Self-reported questionnaire will be used to gather the data from the customers who have experience staying in the hotel. It is expected that there is a positive relationship between the awareness of the customers on the three criteria tested with their acceptance level. The outcomes of this study will provide the hotel operators with some meaningful insights about the abovementioned issues.

5.2 Enhanced Executive Summary

The large growing number of followers of Islam globally and current tourism trends boost up the demand for and supply of Islamic hospitality services. It is believed that the emergence of Islamic financing is one of the driving factors of Syariah Compliant hotels besides the increasing number of Arab and Muslim travellers and their high purchasing power. However, specific guidelines need to be introduced in constructing this concept since there are many different opinions and inconsistencies in understanding such practices among the Syariah scholars and hotel operators. Corpus of past literatures affirmed that currently there is no standardization being introduced and it is worth to mentioned, most of the hotel operators came out with their own interpretation of compliant strategies. They overly concentrated on to be the pioneer while neglecting the main aspect of being a Syariah Compliant hotel. Therefore, this study empirically investigates the awareness and acceptance level of the customers on Syariah Compliant in hotel industry. Customer awareness was being measured from two broad aspects which are concept and practices. Self-reported questionnaire were used to gather the data from the customers by using convenience sampling. Result shows that there is a positive relationship between the awareness of the customers with their acceptance level and it is worth mentioning that awareness in terms of the practical aspects namely operations, interior design, and financial influenced the most. Even so, it was found that local customers generally not fully aware about the concept and practices hence, their acceptance level towards Syariah Compliant hotel is not as great as any other conventional hotels.