JURNAL EKONOMI
ISSN 2338-0810

Home > Vol 14, No 2 (2024): JURNAL EKONOMI

Vol 14, No 2 (2024): JURNAL EKONOMI
Publication Date: 2024-07-31
Keywords: Ekonomi, Bisnis, Akuntansi, Manajemen, Keuangan, Perbankan, Perpajakan, Pasar Modal, Ekonomi Syariah, Ekonomi Pembangunan, Ekonomi Publik, Ekonomi Sumber Daya Alam, Ekonomi Lingkungan, Ekonomi Kesehatan, Ekonomi Pendidikan, Ekonomi Ketenagakerjaan, Ekonomi Kependudukan, Ekonomi Perkotaan, Ekonomi Pertanian, Ekonomi Kelautan, Ekonomi Perdesaan, Ekonomi Kepariwisataan, Ekonomi Industri, Ekonomi Perdagangan, Ekonomi Moneter, Ekonomi Internasional, Ekonomi Makro, Ekonomi Mikro, Ekonomi Publik, Ekonomi Kesejahteraan, Ekonomi Kelembagaan

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THE EFFECTS OF FINANCIAL DEVELOPMENT ON ECONOMIC GROWTH IN NIGERIA

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This study investigated the effects of financial development on economic growth in Nigeria using data from 1970 to 2015. The study used the ordinary least square (OLS) method of multiple regression analysis to estimate the model. The dependent variable was proxied by gross domestic product (GDP) while the independent variables were proxied by broad money supply (BMS), credit to private sector (CPS), interest rate (INT), and inflation rate (INF). The study found that broad money supply and credit to private sector have positive and significant effects on economic growth in Nigeria, while interest rate and inflation rate have negative effects on economic growth in Nigeria. The study recommended that the government should provide a conducive environment for the growth of financial institutions and markets, and should control inflation and interest rate to boost economic growth in Nigeria.

Keywords: Financial development, economic growth, Nigeria
JEL classification: E44, O16, C51

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JURNAL EKONOMI
p-ISSN 2301-6280
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sean institute editorjournal@seaninstittute.or.id Accredited Economic Journal "Rank 4" as a scientific with Number 0385/E5.3/KI.02.00 /2022

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http://ejournal.seaninstitute.or.id/index.php/Ekonomi
Jurnal Ekonomi, Volume 11, No 03 2022
ISSN: 2301-6280 (print) ISSN: 2721-9879 (online)

ADOPTING CONVENTIONAL BUDGET HOTELS INTO MUSLIM-FRIENDLY BUDGET HOTELS: AN EXPLORATORY ANALYSIS

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ARTICLEINFO

Keywords:
Muslim friendly.
Budget hotel.
Muslim visitors.
Halal tourism.
Qualitative research

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ABSTRACT

Budget hotels play an important role in accommodating Muslim youth and low budget travelers who are price-sensitive, as there has been an increasing trend of Muslims traveling across countries. Muslim market is an increasingly attractive market for the tourism industry, thus, providing a big opportunity for budget hotels to offer their services. One of the concerns among the Muslim tourists is whether the hotel is Muslim friendly and could accommodate their halal lifestyle. For example, the availability of facilities for ablution, wet toilet, staffs with a modest dressing code, no pork served, no alcohol, and no adultery entertainment. Meanwhile, budget hotel faces other limitation for Muslim visitors, such as narrow rooms for praying, limited building and land size, resources, etc. The objective of this study is to analyze the appropriateness for conventional budget hotels to adopt into Muslim friendly budget hotels using TOWS analysis. The findings from this study are expected to provide information to indicate the importance of halal tourism knowledge among the conventional budget hotel industry stakeholders to be fully prepared with the opportunities to welcome Muslim visitors.

A qualitative approach was employed for this exploratory study. The analyses utilized both primary data through in-depth interviews with selected informants and secondary data from previous research and publications. Moreover, observation was also conducted at several budget hotels within several states in Malaysia. The Muslim-friendly budget hotel model encounters some barriers especially in terms of facilities to support the halal standard.

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1. INTRODUCTION

International tourism has become one of the largest and vital global economic sectors driving huge flows of people, commodities, and capital. As such, tourism continues to be an important foreign exchange earner for many countries[1]. Lately, there also been an increasing trend of Muslims Traveling across countries who demand Muslim friendly accommodation[2]. The halal industry is now emerging as a lucrative market globally for products and services. Hence, there is a need for a standard framework of halal-friendly tourism [3]. The Muslim market is lucrative as it consists of approximately 1.6 billion people or 23% of the world population. In aggregate, the global expenditure of Muslim consumers on food and lifestyle sectors was estimated at $1.62 trillion in 2012 and was expected to reach $2.47 trillion by 2018. Based on these figures, substantial potential core markets for halal food and lifestyle sectors

can be estimated to be more than $8 trillion in GDP[4]. Muslim travelers are becoming more concerned about halal food and services during their vacation[5].

Muslim-friendly accommodations are defined as establishments that address some of the needs of Muslim travelers. To date, there is no published estimate for the number of Muslim-friendly accommodation establishments globally. According to Nooraslinda, et. al, one type of popular accommodation for travelers are budget hotels. Whereas, luxury hotels and resorts receive a significant number of international tourists, hence, are less controlled and have a more liberal atmosphere even in Muslim majority countries[6]. Xiao et al explained comparatively, budget hotels are much cheaper than luxury hotels and only provide basic services and facilities because budget hotels focus on middle and small enterprise business people, limited budget leisure, price sensitive travelers and self-help tourists[7].

The success of halal tourism depends on the acceptability of the hotels accommodating Muslim norms and available facilities to conduct ibada (worship) such as Sala (praying). Therefore, the halal hotel also includes aspects other than halal food, but also the segregation of public facilities for female and male as for a majority of Muslims, halal is a lifestyle. However, such facilities at budget hotels might be challenging due to several limitations such as narrow building and land size, limited resources and facilities, limited staff, and limited capital.

Samori and Rahman[6] revealed several features and characteristics of hospitality services accommodating Islamic context that are universally accepted and tailored for Muslim travelers and vacationers from the Middle East-West Asia and other Islamic countries. To date, there is no particular formulation on ways a conventional budget hotel can adopt Muslim-friendly (halal) features for a budget hotel. Halal budget hotel services can also be offered to open-minded non-Muslim budget travelers. According to Medlik and Ingram[3]], a hotel is an establishment of services that offer accommodation, food, and drinks for customers who intend to stay at a hotel[3]. According to Jeffery, halal hotels not only concentrate on food and beverages but should also precisely define the products, equipment, services, and activities provided in the hotel[8] that comply with the sharia principles.

Generally, budget hotels are usually considered as 1-star hotels because they provide lodging at cheaper prices ranging from $30-$40/room/night, with some hotels including breakfast. Such guest rooms come with limited facilities, like a single bed, water bottle, and an iron board. Long term lodging is also provided at some budget hotels at a cheap price[7].

Markel stated that budget hotel has limited facilities[7]. The most prominent characteristics of a budget hotel include cheap price and its "B&B" (bed and breakfast) service mode. Budget hotels were first introduced in the United States in the 1950s, and are a mature form of hotels in Europe and America today[7]. Budget" refers to the "cost" and "worth", particularly the "price" than "cheap". Therefore, these establishments limit the facilities and services to accommodate the low price offered. Budget hotels focus on providing services to price-sensitive customers, are on a low budget, not searching for luxury rather a place to fit their stay with good sleep and standard breakfast. This group of customers prefer low prices with comfort instead of sophistication due to efficiency reasons. The basic characteristics of a budget hotel are summarized in Table 1.

Table 1: The Basic Characteristics of a Budget Hotel

1. Location	Areas along the roads close to or at the entrance of the city. Located in strategic points. In cities, in or out of commercial areas. Located close to train, bus stations, or subway.
2. Size and diversity	Limited facilities with rooms, reception, office, a small snack bar, and a room for necessary equipment. A small laundry. As an alternative, laundry services can be contracted to a small-medium laundry company. A horizontal architecture or a building with fewer floors.
3. Lobby	Only a reception and a small resting area.
4. Guest rooms	The number of guest rooms ranges from 60 or less. Smaller guest rooms than in upper categories.

	No special guest rooms for handicapped people. The room and bathroom can be significantly smaller. Limited or no furniture in the guest rooms
5. Parking	The number of parking spaces is not always enough or equivalent to the number of rooms. Usually, no parking lot is available.

Source: Adapted from Andrade et al. (2000)[7].

According to previous literature[9][10], the budget hotel concept shares certain strategic elements. Firstly, budget hotels mirror the corporate culture and values of the company they belong to. Secondly, different from traditional economy accommodation, budget hotel pursues an undifferentiated marketing strategy without making any particular effort to target selected segments of demand. Budget hotels target small business customers, frequent travelers, and maximize occupancy to families, leisure travelers, and VFR (visiting, friends, and relatives) tourists. Next, the core service element of the budget hotel is to provide clean comfortable rooms – standard rooms with selected facilities, unique human resources policy, specific location, and price. Fourth, hoteliers do their best to make their budget systems unique by modifying and innovating the way they work. Lastly, budget hotel relies on a distinct image to be considered as a good product by customers offering consistency and value for money. Fiorentino[10] stated that budget hotels are largely concentrated in areas with intensive people flow such as main roads, airports, and busy city centers. Budget hotel customers generally are people belonging to all market segments and socioeconomic groups.

In the Malaysian context, Waehama et al[11] suggested two factors that would provide good prospects for the future of the halal hotel industry. The factors include full support from the government and a chance to develop domestic marketing as this is a Muslim country. Therefore, the Muslim-friendly budget hotel is important based on the second factor since the locals frequently stay in hotels for social purposes. Meanwhile, budget hotels are commonly distinguished based on the ownership and facilities in which common operators of these hotels normally involve professionals (lawyers, engineers, accountants, and doctors) who usually have partial knowledge about hotel operation, individuals with limited formal education or experience in hospitality industry inheriting the family business, and small investors[12]. In terms of facilities, these hotels do not offer ancillary facilities on top of the standard basic accommodation facilities. Furthermore, Abdullah et al[12] stated that budget hotels could be registered as hotels, resorts, lodging houses, rest houses, motels, hostels, chalets, guest houses, or inns. With an average room rate of as low as RM80/night, budget hotels are capable of accommodating customers who wish to stay for 4 consecutive nights per visit.

Muslim-friendly hotels that provide halal services are not only limited to serving halal food and beverages but also refers to the operation throughout the hotel that is managed based on Islamic principles such as no alcohol served in hotel premises, qibla sign and prayer mat provided in each room, a copy of the holy Quran, provide Ramadhan (fasting month) facilities, such as Ramadhan buffet and early breakfast (sahur) during Ramadhan. Moreover, Muslim-friendly budget hotels should also focus on their operation, design of the hotels, and the financial aspect of the hotel. The facilities made available at the hotel should also follow the sharia principles. For example, facilities, like swimming pool, should be separated between male and female[3]. The word halal is an Arabic word that refers to permissible (everything that is permissible for a practicing Muslim). Conversely, the word haram in Arabic is defined as forbidden and is used to signify the things that are forbidden for a Muslim to consume or engage in[13].

Abdul-Razzaq[2] and Razalli et al[14] argued the notion that halal encompasses all the aspects of a Muslim's life. However, halal is widely associated with food and items that are allowed to be consumed by Muslims. The Quran contains many food-related verses outlining the permissible food, for instance, Ayah (verse) in Surat Al Maaidah (The table) in the Quran mentioned that "All things suitable [for eating] have been permitted to you" (5:4).

The concept of Halal has been extended into the realm of the tourism industry. Carboni et al[15] stated that halal tourism is favored by Muslim travelers who prefer goods and services following the Islamic teachings to abide by the Sharia laws (a set of rules derived from the Quran and the Prophet's (peace be upon him) Sunna) that dictate the daily lives and practices of Muslims whilst travelling[2][14]. A significant relationship between satisfaction and revisit intention among Muslim guests was evident in hotels with a high level of involvement.

On the other hand, Jeaheng et al[16] argued that the promising global Muslim tourism market has raised the level of competition among international hotel players in many countries. In this regard, establishing budget hotels is an important strategy to secure a particular segment of guests. As such, the hospitality industry has also seen a rise in the popularity of Islamic-friendly services[13]. Although most efforts in accommodation and lodging development in the past have been dedicated to a secular market, catering to religious needs has gathered pace in recent years[17]. Ainin et[18] added that halal tourism has become popular in countries like the United Kingdom, Canada, and Spain. Besides catering to the Muslim market, Islamic products and services can also be viewed as potential market segments for the non-Muslim population too[19].

2. METHOD

This exploratory type of research employed the qualitative approach. The descriptive analyses involved primary data through sessions of in-depth interviews with selected budget hotel staff and owners as well guests as informants together with secondary data retrieved from previous studies and publications (library research). This study also involved an observation assessment conducted at several budget hotels within several states in Malaysia based on a benchmark halal hotel based in Jakarta Indonesia (Hotel Sofyan Betawi). The TOWS analysis was also performed to support the analysis and discussion.

The list of budget hotels in Malaysia that participated in this study includes Kop Town Hotel and Tune Hotel (Kuala Lumpur), Hotel Bahagia (Langkawi Island), Explorer Hotel (Malaka city), Traveler Hotel (Kota Kinabalu, Sabah), and Malabar inn Hotel (Pulau Penang). All these budget hotels can be booked via Traveloka.

3. RESULT AND DISCUSSION

Based on the study involving several budget hotels in Malaysia, the budget hotels are all located in the central city where public transportation is easily accessible. The size of the budget hotels is small consisting of 30 to 60 rooms only with up to two to four floors. In certain cases, hotels with two to three floors had no lift services. Whereas breakfast was either available with a standard menu or limited choices, or no breakfast included. The room size is limited to 4x4 meters or 4x5 meters including bathroom and toilet. The small space available between the bed and the wall might be enough for Muslim guests to perform individual prayers. Most of the hotels provide AC and TV. These rooms are available from MYR75 to MYR150/night. The promotional activities for these hotels are limited as their main focus is to sell their room. However, brochures or leaflets mostly are available. Since marketing and promotional activities are limited, Abdullah et al[12] discovered that the businesses depend highly on walk-in customers and word of mouth.

The number of employees at these budget hotels ranged from three to ten depending on the number of room units and services provided. The staffs are in-charge of cleaning, housekeeping, marketing/reception, maintenance, and handling reservations, whereby one or two staff are put in charge as receptionist(s) with additional duties as cashier and phone operator. However, the operational decision-making process is mostly under the owners' full discretion.

Furthermore, no swimming pool, spa, and gym facilities were available at these budget hotels. The hotels did not offer in-room meal service orders too. These hotels did not provide night entertainment and no public prayer facility for Muslim guests. As for the welcome drink or complimentary drink, some hotels provided one to two bottles of water in the rooms. Most budget hotels do not provide a mini refrigerator/minibar. Also, there is no standard dress code for staff.

Since these budget hotels offer bed and breakfast services, it is suitable for budget travelers who do not need luxury accommodation. The rooms are usually used for resting, therefore, the hotels mostly do not provide night entertainment or pub and alcoholic beverages.

Despite the possibilities, challenges may also rise for budget hotel owners, due to a lack of budget, providing additional facilities for Muslim prayer practice is a challenge.

Table 2: Budget Hotel TOWS Analysis

Threat: 1.The emergence of homestay alternatives 2. Internet application accommodation, such as Air BnB 3. Attractiveness of the upper/luxury hotels for leisure.	Opportunity: 1.The growing Muslim budget travelers who seek standard service, not luxury 2. Muslim millennial travelers/backpacker 3. Muslim family travelers
Weaknesses: 1. Not so convenient/absence of luxury 2. Limited facilities 3. Narrow space 4. Standard/minimum service 5. Standard meals or no meals at all	Strength: 1. Location (good access) 2. Affordable price 3. Efficient 4. Economical

Sourced: Data processed, 2019.

Based on the TOWS analysis, the opportunity for conventional budget hotels to adopt halal tourism features is greater as the number of Muslim budget travelers are growing. Thus, hotels at strategic geographic locations can be an advantage. However, the owner or management of budget hotels should also consider some limitations and challenges in adopting Muslim-friendly budget hotels, including limited facilities and narrow space. Thus, basic Muslim friendly services can be facilitated at these budget hotels. With basic halal service facilities, guests can exercise their duty as a Muslim while staying and feeling comfortable in a Muslim friendly atmosphere.

Despite the emerging competition from internet application-based accommodation, such as Air BnB, the strength of budget hotel, such strategic location, affordable and efficient has more attractiveness to offer their service for the growing Muslim visitor.

4. CONLUSION

The Muslim budget hotel model encounters some barriers especially in terms of facilities to support the halal standard. Some of the barriers include limited room space, limited space for mushola and hotel physical building in general. Despite all the challenges and barriers, the budget hotel is open for possible conversion into a Muslim-friendly budget hotel with limited services. Since budget hotels generally do not provide alcoholic drinks, disco or pub, or night entertainments as the space is very limited, standard sharia principles are already in place. As budget hotels are used mainly for resting and sleeping comfortably, the concept of Muslim friendly budget hotels could be fulfilled with very standard and minimum facilities to accommodate Muslim guests.

Nevertheless, the owner's vision in managing the hotel and target market choice will certainly affect the adoption decision into a halal or Muslim friendly budget hotel. The choice is always there for owners whether to accommodate a broader market or to choose to serve a Muslim segment niche market by providing a Muslim friendly budget hotel. Ideally the Muslim friendly budget hotel is inclusive, it should also welcome non-Muslim visitors who can tailor their stay with Muslim norms and values. As this is an exploratory study, future studies using the quantitative method is strongly advisable.

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Submission date: 02-Feb-2023 03:02PM (UTC+0700)
Submission ID: 2004676777
File name: Adopting_Conventional_Budget.pdf (213K)
Word count: 3777
Character count: 21186

http://ejournal.seaninstitute.or.id/index.php/Ekonomi
Jurnal Ekonomi, Volume 11, No 03 2022
ISSN: 2301-6280 (print) ISSN: 2721-9879 (online)

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1. INTRODUCTION

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Samori and Rahman[6] revealed several features and characteristics of hospitality services accommodating Islamic context that are universally accepted and tailored for Muslim travelers and vacationers from the Middle East-West Asia and other Islamic countries. To date, there is no particular formulation on ways a conventional budget hotel can adopt Muslim-friendly (halal) features for a budget hotel. Halal budget hotel services can also be offered to open-minded non-Muslim budget travelers. According to Medlik and Ingram[3]], a hotel is an establishment of services that offer accommodation, food, and drinks for customers who intend to stay at a hotel[3]. According to Jeffery, halal hotels not only concentrate on food and beverages but should also precisely define the products, equipment, services, and activities provided in the hotel[8] that comply with the sharia principles.

Generally, budget hotels are usually considered as 1-star hotels because they provide lodging at cheaper prices ranging from $30-$40/room/night, with some hotels including breakfast. Such guest rooms come with limited facilities, like a single bed, water bottle, and an iron board. Long term lodging is also provided at some budget hotels at a cheap price[7].

Markel stated that budget hotel has limited facilities[7]. The most prominent characteristics of a budget hotel include cheap price and its "B&B" (bed and breakfast) service mode. Budget hotels were first introduced in the United States in the 1950s, and are a mature form of hotels in Europe and America today[7]. Budget" refers to the "cost" and "worth", particularly the "price" than "cheap". Therefore, these establishments limit the facilities and services to accommodate the low price offered. Budget hotels focus on providing services to price-sensitive customers, are on a low budget, not searching for luxury rather a place to fit their stay with good sleep and standard breakfast. This group of customers prefer low prices with comfort instead of sophistication due to efficiency reasons. The basic characteristics of a budget hotel are summarized in Table 1.

Table 1: The Basic Characteristics of a Budget Hotel

1. Location	Areas along the roads close to or at the entrance of the city. Located in strategic points. In cities, in or out of commercial areas. Located close to train, bus stations, or subway.
2. Size and diversity	Limited facilities with rooms, reception, office, a small snack bar, and a room for necessary equipment. A small laundry. As an alternative, laundry services can be contracted to a small-medium laundry company. A horizontal architecture or a building with fewer floors.
3. Lobby	Only a reception and a small resting area.
4. Guest rooms	The number of guest rooms ranges from 60 or less. Smaller guest rooms than in upper categories.

	No special guest rooms for handicapped people. The room and bathroom can be significantly smaller. Limited or no furniture in the guest rooms
5. Parking	The number of parking spaces is not always enough or equivalent to the number of rooms. Usually, no parking lot is available.

Source: Adapted from Andrade et al. (2000)[7].

According to previous literature[9][10], the budget hotel concept shares certain strategic elements. Firstly, budget hotels mirror the corporate culture and values of the company they belong to. Secondly, different from traditional economy accommodation, budget hotel pursues an undifferentiated marketing strategy without making any particular effort to target selected segments of demand. Budget hotels target small business customers, frequent travelers, and maximize occupancy to families, leisure travelers, and VFR (visiting, friends, and relatives) tourists. Next, the core service element of the budget hotel is to provide clean comfortable rooms – standard rooms with selected facilities, unique human resources policy, specific location, and price. Fourth, hoteliers do their best to make their budget systems unique by modifying and innovating the way they work. Lastly, budget hotel relies on a distinct image to be considered as a good product by customers offering consistency and value for money. Fiorentino[10] stated that budget hotels are largely concentrated in areas with intensive people flow such as main roads, airports, and busy city centers. Budget hotel customers generally are people belonging to all market segments and socioeconomic groups.

In the Malaysian context, Waehama et al[11] suggested two factors that would provide good prospects for the future of the halal hotel industry. The factors include full support from the government and a chance to develop domestic marketing as this is a Muslim country. Therefore, the Muslim-friendly budget hotel is important based on the second factor since the locals frequently stay in hotels for social purposes. Meanwhile, budget hotels are commonly distinguished based on the ownership and facilities in which common operators of these hotels normally involve professionals (lawyers, engineers, accountants, and doctors) who usually have partial knowledge about hotel operation, individuals with limited formal education or experience in hospitality industry inheriting the family business, and small investors[12]. In terms of facilities, these hotels do not offer ancillary facilities on top of the standard basic accommodation facilities. Furthermore, Abdullah et al[12] stated that budget hotels could be registered as hotels, resorts, lodging houses, rest houses, motels, hostels, chalets, guest houses, or inns. With an average room rate of as low as RM80/night, budget hotels are capable of accommodating customers who wish to stay for 4 consecutive nights per visit.

Muslim-friendly hotels that provide halal services are not only limited to serving halal food and beverages but also refers to the operation throughout the hotel that is managed based on Islamic principles such as no alcohol served in hotel premises, qibla sign and prayer mat provided in each room, a copy of the holy Quran, provide Ramadhan (fasting month) facilities, such as Ramadhan buffet and early breakfast (sahur) during Ramadhan. Moreover, Muslim-friendly budget hotels should also focus on their operation, design of the hotels, and the financial aspect of the hotel. The facilities made available at the hotel should also follow the sharia principles. For example, facilities, like swimming pool, should be separated between male and female[3]. The word halal is an Arabic word that refers to permissible (everything that is permissible for a practicing Muslim). Conversely, the word haram in Arabic is defined as forbidden and is used to signify the things that are forbidden for a Muslim to consume or engage in[13].

Abdul-Razzaq[2] and Razalli et al[14] argued the notion that halal encompasses all the aspects of a Muslim's life. However, halal is widely associated with food and items that are allowed to be consumed by Muslims. The Quran contains many food-related verses outlining the permissible food, for instance, Ayah (verse) in Surat Al Maaidah (The table) in the Quran mentioned that "All things suitable [for eating] have been permitted to you" (5:4).

The concept of Halal has been extended into the realm of the tourism industry. Carboni et al[15] stated that halal tourism is favored by Muslim travelers who prefer goods and services following the Islamic teachings to abide by the Sharia laws (a set of rules derived from the Quran and the Prophet's (peace be upon him) Sunna) that dictate the daily lives and practices of Muslims whilst travelling[2][14]. A significant relationship between satisfaction and revisit intention among Muslim guests was evident in hotels with a high level of involvement.

On the other hand, Jeaheng et al[16] argued that the promising global Muslim tourism market has raised the level of competition among international hotel players in many countries. In this regard, establishing budget hotels is an important strategy to secure a particular segment of guests. As such, the hospitality industry has also seen a rise in the popularity of Islamic-friendly services[13]. Although most efforts in accommodation and lodging development in the past have been dedicated to a secular market, catering to religious needs has gathered pace in recent years[17]. Ainin et[18] added that halal tourism has become popular in countries like the United Kingdom, Canada, and Spain. Besides catering to the Muslim market, Islamic products and services can also be viewed as potential market segments for the non-Muslim population too[19].

2. METHOD

This exploratory type of research employed the qualitative approach. The descriptive analyses involved primary data through sessions of in-depth interviews with selected budget hotel staff and owners as well guests as informants together with secondary data retrieved from previous studies and publications (library research). This study also involved an observation assessment conducted at several budget hotels within several states in Malaysia based on a benchmark halal hotel based in Jakarta Indonesia (Hotel Sofyan Betawi). The TOWS analysis was also performed to support the analysis and discussion.

The list of budget hotels in Malaysia that participated in this study includes Kop Town Hotel and Tune Hotel (Kuala Lumpur), Hotel Bahagia (Langkawi Island), Explorer Hotel (Malaka city), Traveler Hotel (Kota Kinabalu, Sabah), and Malabar inn Hotel (Pulau Penang). All these budget hotels can be booked via Traveloka.

3. RESULT AND DISCUSSION

Based on the study involving several budget hotels in Malaysia, the budget hotels are all located in the central city where public transportation is easily accessible. The size of the budget hotels is small consisting of 30 to 60 rooms only with up to two to four floors. In certain cases, hotels with two to three floors had no lift services. Whereas breakfast was either available with a standard menu or limited choices, or no breakfast included. The room size is limited to 4x4 meters or 4x5 meters including bathroom and toilet. The small space available between the bed and the wall might be enough for Muslim guests to perform individual prayers. Most of the hotels provide AC and TV. These rooms are available from MYR75 to MYR150/night. The promotional activities for these hotels are limited as their main focus is to sell their room. However, brochures or leaflets mostly are available. Since marketing and promotional activities are limited, Abdullah et al[12] discovered that the businesses depend highly on walk-in customers and word of mouth.

The number of employees at these budget hotels ranged from three to ten depending on the number of room units and services provided. The staffs are in-charge of cleaning, housekeeping, marketing/reception, maintenance, and handling reservations, whereby one or two staff are put in charge as receptionist(s) with additional duties as cashier and phone operator. However, the operational decision-making process is mostly under the owners' full discretion.

Furthermore, no swimming pool, spa, and gym facilities were available at these budget hotels. The hotels did not offer in-room meal service orders too. These hotels did not provide night entertainment and no public prayer facility for Muslim guests. As for the welcome drink or complimentary drink, some hotels provided one to two bottles of water in the rooms. Most budget hotels do not provide a mini refrigerator/minibar. Also, there is no standard dress code for staff.

Since these budget hotels offer bed and breakfast services, it is suitable for budget travelers who do not need luxury accommodation. The rooms are usually used for resting, therefore, the hotels mostly do not provide night entertainment or pub and alcoholic beverages.

Despite the possibilities, challenges may also rise for budget hotel owners, due to a lack of budget, providing additional facilities for Muslim prayer practice is a challenge.

Table 2: Budget Hotel TOWS Analysis

Threat: 1.The emergence of homestay alternatives 2. Internet application accommodation, such as Air BnB 3. Attractiveness of the upper/luxury hotels for leisure.	Opportunity: 1.The growing Muslim budget travelers who seek standard service, not luxury 2. Muslim millennial travelers/backpacker 3. Muslim family travelers
Weaknesses: 1. Not so convenient/absence of luxury 2. Limited facilities 3. Narrow space 4. Standard/minimum service 5. Standard meals or no meals at all	Strength: 1. Location (good access) 2. Affordable price 3. Efficient 4. Economical

Sourced: Data processed, 2019.

Based on the TOWS analysis, the opportunity for conventional budget hotels to adopt halal tourism features is greater as the number of Muslim budget travelers are growing. Thus, hotels at strategic geographic locations can be an advantage. However, the owner or management of budget hotels should also consider some limitations and challenges in adopting Muslim-friendly budget hotels, including limited facilities and narrow space. Thus, basic Muslim friendly services can be facilitated at these budget hotels. With basic halal service facilities, guests can exercise their duty as a Muslim while staying and feeling comfortable in a Muslim friendly atmosphere.

Despite the emerging competition from internet application-based accommodation, such as Air BnB, the strength of budget hotel, such strategic location, affordable and efficient has more attractiveness to offer their service for the growing Muslim visitor.

4. CONLUSION

The Muslim budget hotel model encounters some barriers especially in terms of facilities to support the halal standard. Some of the barriers include limited room space, limited space for mushola and hotel physical building in general. Despite all the challenges and barriers, the budget hotel is open for possible conversion into a Muslim-friendly budget hotel with limited services. Since budget hotels generally do not provide alcoholic drinks, disco or pub, or night entertainments as the space is very limited, standard sharia principles are already in place. As budget hotels are used mainly for resting and sleeping comfortably, the concept of Muslim friendly budget hotels could be fulfilled with very standard and minimum facilities to accommodate Muslim guests.

Nevertheless, the owner's vision in managing the hotel and target market choice will certainly affect the adoption decision into a halal or Muslim friendly budget hotel. The choice is always there for owners whether to accommodate a broader market or to choose to serve a Muslim segment niche market by providing a Muslim friendly budget hotel. Ideally the Muslim friendly budget hotel is inclusive, it should also welcome non-Muslim visitors who can tailor their stay with Muslim norms and values. As this is an exploratory study, future studies using the quantitative method is strongly advisable.

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