

Research Article

Halal Tourism Business Analysis: Demand and Supply Sides

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Abstract.

This research aims to understand the halal tourism business by using an analysis of the microeconomic approach, especially in the study of the demand and supply sides. The unit of analysis in this study is the halal tourism object located in Lembang. The data needed is primary data, collected by applying the technique of direct interviews with halal tourism managers and consumers who visit the halal tourism location. The results of this study indicate that halal tourism must be managed in the best possible way to meet the needs of all people by orienting it to the needs of the target market. The demand side shows that the market needs tourism products that guarantee halalness and goodness for culinary products and services that are in accordance with Sharia. From the results of the study it can be concluded that halal tourism has a large market potential (demand), and people need its realization; therefore, the supply side must focus on the interests of the target market.

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1. INTRODUCTION

Research on halal tourism has been widely carried out and is an interesting concern for further study. The results of those studies can make a valuable contribution to developing the halal tourism industry and making it better than before. In this regard, research has been conducted on Muslim-friendly tourism, which examines the demand and supply sides in the Member States of the Organization of Islamic Cooperation [1].

The provision of halal tourism is not only a concern of Muslim providers or entrepreneurs in countries with a dominant Muslim population but also receives serious attention from Muslim entrepreneurs in countries with a dominant non-Muslim population. Vice versa, the demand side of halal tourism products is aimed at meeting the needs of people who are in the market for halal tourism. The research that has been done shows that market equilibrium occurs when there is a match between the “demand and supply” sides [2] of the market for this tourism product.

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Not only the tourism industry in general, but the halal tourism industry in particular, should also apply good business management principles in order to grow and be sustainable. Based on this, researchers are interested in conducting further analysis of this halal tourism business, especially from the demand and supply sides of the tourism product market, one of which is focused on halal tourism products in the culinary sector. Therefore, this study aims to analyze the halal tourism business in terms of the supply side (product providers) and the demand side (product market) of halal tourism. The urgency of this research is to provide valuable input to tourism providers and the market community of tourism products on the importance of providing tourism products that are suitable or accepted by the market, which is attractive and can be of concern to various parties with an interest in the development of this halal tourism sector.

2. RESEARCH METHOD

This research uses a qualitative descriptive method, where data is obtained from the field and then described to explain what happened in reality so that the research objectives can be achieved, namely to analyze the halal tourism business in terms of demand and supply of tourism products. The unit of analysis in this study is a halal tourist attraction managed by the Sinergi Foundation located in Lembang. The data required is primary data, collected through direct interviews with a halal tourism manager and several consumers who visit the halal tourist sites. The analysis uses a microeconomic approach from the theory of demand and supply [3], where the demand side is studied from the perspective of consumers, or those who come to this halal tourist location, and the supply side is from the perspective of the tour manager.

3. THEORETICAL FRAMEWORK

The grand theory used is business management; the middle theory is halal tourism business; and the application theory is the theory of demand and supply of halal tourism products. The tourism business must be managed as a business should. Without good management, a tourism business will fail, so it is crucial to understand how to manage a business in accordance with the principles of proper management. There is no business that fails; there is just a business that is not managed properly, has no goals, and runs as it is as long as there is capital and a place to do business. In fact, a successful business is predominantly determined by how to manage the business itself, including

“government support” [4]. Therefore, it is important to carry out the rules of managing a business well, including paying attention to ethics in business.

Managing a tourism business does not only rely on the availability of capital or funds for development; what is important is how to manage a tourism business according to the characteristics, rules, and objectives of the establishment and development of the tourist attraction. There is an understanding of economic principles that need to be verified, namely the provision of tourism to benefit certain groups but not necessarily provide benefits for other stakeholders, which is not a true economic principle. Therefore, the purpose of the development of this tourism business is to provide the best service for the market and other stakeholders.

In business, there is a formula that businessmen often use to achieve their business goals: $\text{Price} = \text{Cost} + \text{Profit}$. This formula can lead to business execution that is less favorable to market satisfaction due to the high cost of tourism that does not match the services obtained by consumers or the target market. Therefore, this business formulation can be changed to $\text{Profit} = \text{Price} - \text{Cost}$ [5]. This formulation is considered to provide benefits for all parties since sales show market acceptance, which indicates the quality of services provided, and then deduct various service costs that should make consumers feel satisfied, and the difference in costs is the profit earned. Business execution with this last formula provides benefits for all, so it is expected that all interested parties will be satisfied.

In relation to the halal tourism business, as the name implies, the tourism products provided are certainly intended to meet the needs of the market. This means that the point of conformity between the products offered by producers (products and services provided by halal tourism business entrepreneurs) and consumer demand (market parties who need the products and services provided) with (quantity balance or Q_e) at a certain price (equilibrium price or P_e) is referred to as the market equilibrium point (market equilibrium or e). Diagrammatically, based on the theory of demand and supply [6], this equilibrium condition occurs when the demand curve intersects with the supply curve, which can be described as follows:

Theoretically and conceptually, the diagrammatic side shows that the demand curve decreases from the top left to the bottom right, which means the lower the product price, the more demand there is for the product or service. Meanwhile, the supply curve shows an increase from the bottom left to the top right, which means the higher the product price, the more supply of the product increases. In reality, there are products that are elastic, inelastic, and unitary. However, what needs to be understood is that there are various factors that can affect the demand and supply sides.

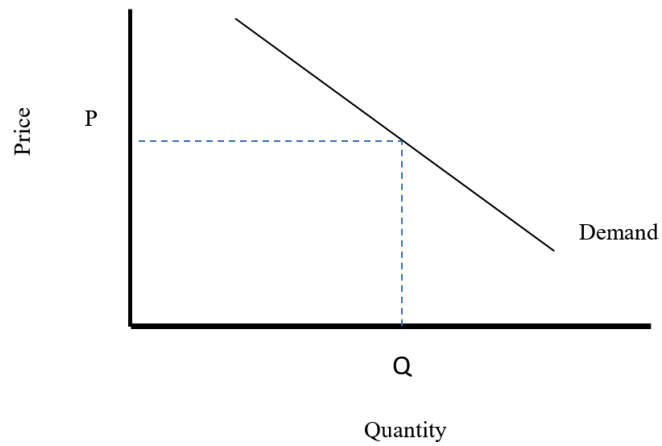


Figure 1: Demand Curve.

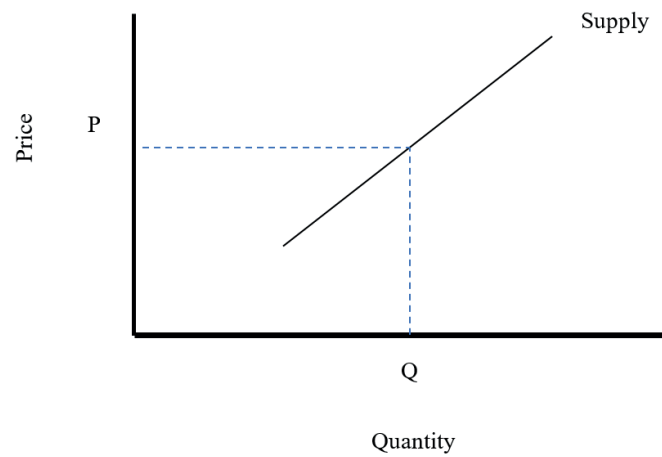


Figure 2: Supply Curve.

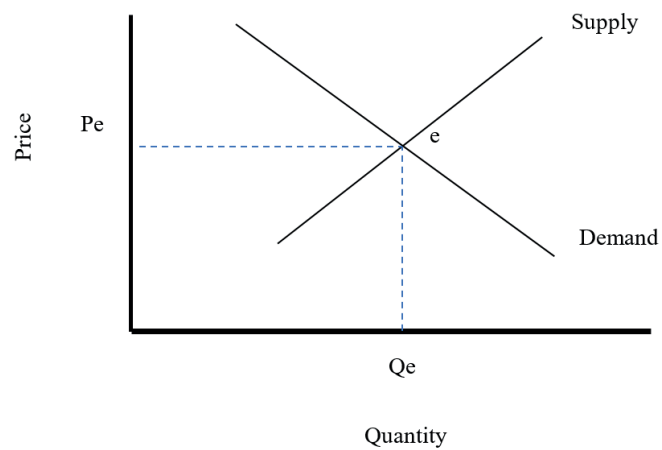


Figure 3: Demand and Supply Curves [7].

In theory, various factors that affect demand are price, number of target markets, people's incomes, income distribution, consumer tastes, prices of other goods, and

forecasts about the future. Meanwhile, factors that affect supply include product prices, the number of producers or sellers, technology, the costs of production and raw materials, the prices of other goods, government policies, and future prospects. In relation to the halal tourism business, the demand and supply sides of halal tourism products are certainly influenced by the factors described above.

A conceptual and theoretical review of the demand side of halal tourism products needs to be done to understand how the market sees tourism products that can meet their traveling needs. It is likewise for the supply side as providers that offer tourism products and services needed by the market instead of giving what they can provide; the approach is not resource-based [8], but more market-based [9].

Market balance occurs because there is a match between the demand needed or desired by the market, and what is offered by producers or sellers as providers of products or services. Thus, tourism products offered by producers must pay attention to the market, namely who is the target market for the product. On the other hand, market demand or parties who need the service will be interested in buying, if the product or service offered meets what consumers need or want.

Furthermore, it can happen theoretically, consumers get satisfaction if the needs and desires for a particular product can be fulfilled by the producer as well as possible, so that they are not only satisfied but also have loyalty (arising from repeated satisfaction). Conditions like this will have an impact on business success for producers, because consumer satisfaction or even loyalty means success for producers. On the other hand, disappointment experienced by consumers means losses for producers, because consumers will turn to other producers or service providers, which can further cause losses or failure for producers.

This conceptual theoretical study of demand and supply is a fundamental understanding that must be mastered by business people or producers, because there is no business without something to offer to the market, and there is also no business without demand for the products it offers. Apart from that, what producers offer is one that can fulfill needs, of course in the best way possible, not just being able to provide certain products, but the products offered are better fulfilling the hopes and desires of consumers. Providers of the products and services offered, and consumers who need these products must be able to understand the concept of demand and supply, as capital knowledge (knowledge) for producers, as well as knowledge about demand and supply is important for consumers, so that the fulfillment of needs is obtained can make consumers' lives better.

In particular, offering halal tourism products is an important concern, because halal tourism products are products that attract all markets, not only for Muslim markets, but non-Muslim communities also need and want these tourism products. This means that the halal tourism product market is for all markets, because it provides halal and good service products. Therefore, in terms of product offerings, it has a wide market, so that with sufficient management and knowledge in managing it, we will be able to provide the best service, for the sustainable success of this business.

4. RESULT AND DISCUSSION

The halal tourism industry has become an interesting topic of conversation and has received the attention of many interested parties. Entrepreneurs, institutions, and organizations have tried to grow this business venture, and there are also newcomers in this industry. The Sinergi Foundation is a philanthropic organization that manages waqf, zakat, infaq-alms, and other social funds. This institution always has social innovation and empowerment programs, one of which is opening and developing waqf-based halal tourism in Lembang.

Halal tourism developed by the Sinergi Foundation in Lembang offers various tourism products, including culinary products served in restaurants, cafes, and others. The interesting thing to study further is the interest of this philanthropic institution in developing halal tourism and analyzing its business.

The business concept used by the Sinergi Foundation is “the right man for the right job”. In other words, a successful job is done by handing over the job to those who are competent in their fields. Therefore, the restaurant is not managed by the Sinergi Foundation itself but in collaboration with partners who master and understand how to manage restaurants that offer various menus or packages. Likewise, the café and a plan to open a store that provides souvenir products are carried out by partnering with parties who understand the businesses. With the implementation of a profit-sharing system, all collaborating parties benefit, and no party feels disadvantaged. This means that the business concept being rolled out is not a business that understands everything and is able to handle anything offered to the market, but a business that manages something based on competence and is conducted by people who understand the field well.

Furthermore, the business analysis of halal tourism products can be studied further from the “demand side” [10] and the “supply side” [11]. The success of halal tourism management can be seen from the demand side, market acceptance, or the ability to provide products and services that meet the needs of its market. Referring to price as

TABLE 1: The Demand and Supply Sides of Tourism Products.

No	Demand	Supply
1	Provide confidence in quality assurance (halalan thayyiban)	Waqf-based halal tourism that affects the management of its product provision, including the provision of culinary products
2	Prices are in favor of local and national markets	Competitive price
3	Promising market potential	Located in the tourist area
4	Easily accessible	Internet-based marketing, and dominant word of mouth (WOM)
5	According to the taste of the target market	Provision of local excellence-based culinary products for all markets

Source: Field results, processed, 2023

one of the factors that influence demand, consumers consider that the price offered for culinary products in halal tourism is in accordance with the general purchasing power of the target market. Some consumers even state that the price of the culinary products offered is in the cheaper category compared to its competitors, and the most important thing is the suitability of the product for local and national market tastes. Given that Lembang is a tourist area with tourists coming from various cities and regions in Indonesia, even from abroad, the available market has great potential and provides promising opportunities for market sustainability in the future. Field results in the provision of halal tourism products, especially culinary products, show that the tourist attraction managed by the Sinergi Foundation is waqf-based, thus its management is also coloured by sharia values, including in the management of the provision of culinary products. In terms of product prices, the provider offers competitive prices compared to the prices of competing culinary products in this Lembang tourist area.

Another aspect related to the interests of the target market of this tourist attraction is marketing culinary products as one of the tourism products offered. The tourism manager uses internet technology, which is able to provide a wide range of information, to reach the market with ease and accuracy in delivering information to the intended market target. The managers state that to make their consumers customer advocates, they build internal marketing so that it can give a positive impression and satisfy consumers; consumers who are satisfied and become marketers through word of mouth (WOM) are considered effective for building target markets.

Thus, the various determinants of demand and supply of culinary products, one of the halal tourism products described above, provide an understanding that the supply side that has been built so far has led to the fulfilment of the provision of halal tourism

products. This should be an important concern to attract and grow market demand for products desired by the provider or manager of this tourism business.

5. CONCLUSION

In managing a tourism business, a concept that must be understood is that management must be carried out by those who understand the business. Halal tourism objects must be managed as well as possible to meet the needs of the target market. The demand side shows that the market needs quality-assured tourism products in terms of halalness and goodness—in this case, culinary products. The culinary tourism products offered have a large market potential (demand) since they are needed by everyone; therefore, the supply side must focus on the continuity of the halal tourism business and meet the needs of the target market.

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