The Importance of Consumer Perceptions towards Islamic Spa Approach (I.S.A) in Islamic Tourism

by

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THE IMPORTANCE OF CONSUMER PERCEPTIONS TOWARDS ISLAMIC SPA APPROACH (I.S.A) IN ISLAMIC TOURISM

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MASTER OF ENTREPRENEURSHIP

2016
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ABSTRAK

ABSTRACT

The purpose of this thesis is to define the importance elements of Islamic Spa Approach (I.S.A) and determines the factors influencing consumer perception in engaging Islamic Spa. This thesis presents a hypotheses framework and multi case study while examining consumer perceptions towards Islamic practice in spa industry. In order to access the consumer perceptions towards Islamic Spa Approach, it is important to review on how the spa tourism has evolved. One of the major motivations for undertaking the activity of tourism apart from touring to the place of interest is satisfaction and rejuvenation elements of tourist experience. Furthermore, spa tourism is a component of health tourism that relates to the provision of specific health facilities and destinations which traditionally include the provision of mineral water. It is also a type of tourism which focused on the effect of relaxation and curative influence on the human body, achieved by the means of water-based procedures, such as mineral waters, thermal pools, vapor-baths and sauna. This changing paradigm of healing and rejuvenation has created the concept of spa ultimately. In Islamic Spa Approach, the Islamic principles is implements in the spa industry with a several important elements to be applied such as the use of halal products, gender segregations in treatments and procedures, sharia compliance in treatments & procedures and physical construct elements. This attributes of Islamic spa contains underlying concepts on execution of spa practice that make huge difference between ordinary spa practices. This thesis uses the link between case material and the literature to generate testable hypotheses for future research guidance in Islamic Spa Approach. These are based on the variables derived from the previous studies on consumer perception and basic Islamic philosophy. These research main objectives is to determine the importance of ISA elements in Islamic tourism and the methodology used in testing the hypothesis was done by structural equation modeling (SEM). These theses provide an overview of Islamic practice in spa industry and assist policy maker for a better management plan in the future within the development of tourism sector.
CHAPTER 1

BACKGROUND OF THE STUDY

1.1 Introduction

The spa industry is currently the fastest growing segment of the hospitality and leisure industry with revenues exceeding those from amusement parks, box office receipt, vacation ownership gross sales and ski resort ticket sales (Bodeker & Cohen, 2012). Despite the rapid growth of the spa sector in many Asian countries and Islamic countries generally, the research on the consumer perceptions towards spa using the Islamic spa approach is still at infancy stage. Spas in the Southeast Asia region are strongly linked to specific heritage and cultural values and Malaysians have long been exposed to the type of spas of the neighboring countries namely Thailand and Indonesia with less exposure of Islamic values (Yaman, Alias, & Ishak, 2012). Muslim community of the present time desires to reach the scientific and technological developments in modern science not only for their health and treatment services, but also for their beauty and vitality guided by Islamic philosophy or principles.
In Malaysia the spa industry has shown robust growth in sales volume and in the number of facilities for the past 10 years. With the present economic trends and Malaysia’s Vision 2020 set upon becoming a developing country and Malaysia’s Economic Transformation Programme (ETP) of attaining high income economy, the nation has set an opportunity for spa industry to grow in Malaysia. According to a survey by Intelligent Spas, the number of spas in Malaysia has grown more than 200% since 2002. There are more than 170 spas currently operating and earning an average RM1, 000 ($312) per day in sales (Intelligent Spas, 2011). This number is expected to reach 275 outlets, which is about 49% growth, by 2012, according to statistics compiled by Ministry of Tourism in Malaysia and Euromonitor International Country Sector Briefing (www.spamore.com). From the data, 54% were day spas and 40% were spas located in hotels, resorts or retreats which so called destination spas. Increased leisure time, personal income, and health consciousness have also contributed to the growth of the spa industry in Malaysia. This growth is driven by customers who want a place where they can get spa treatments that improve their physical and mental well-being, and which offers rest, relaxation, exercise and pampering. The global spa economy is estimated to be more than USD250 billion in 2007 (Dahlan, Zakaria, & Shamsudin, 2011). The average indoor area of spa facilities in Malaysia was 393 square meters and contained 7.7 treatment rooms on average. 50 percent of spas possess a relaxation room and herbal tea was the most common complimentary beverage item provided by spas, with
87% offering to visitors and increased customer demand in massage (Yaman et al., 2012). The spa industry in Malaysia combines traditional methods alongside modern ones in a designer ambience that offers customers a remarkable experience. Malaysia, being a multi-cultural country, has at its disposal a huge range of traditional spa treatments handed down from generation to generation.

As the business environment in the spa industry becomes more competitive, managers start to pay special attention to developed effective market strategies, particularly for emerging niche markets. In particular, spas and wellness centers need to be innovative and professional in managing services (i.e., service production and the delivery process). In response to increasing dominance of services within the spa industry, both managers and researchers need to pay attention to the issues of service quality perceptions and satisfaction of customers. A number of researchers (e.g. Kelly and Turley, 2001; A-lalak, 2010; Rust and Oliver, 1994; Mull et al; 2005) suggested that revealing customer perceptions of service experiences has always been important to the success of service organizations. From a management standpoint, managers should systematically examine current services from their customers’ perspectives and redesign their service products and environment in which their services are delivered to their target customers. The provision of quality experiences is extremely important for customer satisfaction and retention (Zeithaml et al; 2006). Within the spa industry, offering premium
quality, personally tailor-made, and exclusive massage and fitness services is a key contributor to customer satisfaction of spa and wellness programs.

Meanwhile, the Islamic spa is a combination of Islamic values and principles, into the usage of water for healing purposes guided by Al-Quran and As-Sunnah through a diversity of specialized services that promote the regeneration of mental, body and soul. The concept of ‘health via water’ as stated in the Al-Quran highlighted the importance of water as the most precious elements for human being and specifically for their health means. The Arabic word for the water is *ma‘* occurs sixty-three times in the ("Al-Quran,")) and stated that Allah’s throne is described as resting on water while Paradise is described as “*Gardens beneath which rivers flow*” from surah Muhammad : verse 12.

“Not only does water give life and good health but every life is itself made of water. We made from water every living thing” (Surah Al-Anbiya, verse 30).

As quoted in the Quranic passage “*And Allah has sent down the water from the sky and therewith gives life after its death*” and elaborate by Faruqui (2001). This concept of Islamic healing through water has turned Islamic spa tourism into an important tourism trend in the world.

The consumer perceptions towards Islamic Spa Approach (I.S.A) based on Islamic point of view refers to the vision of reality and truth that appears on analyzing consumer behavior on motivation of buying not only for the goodness
of individual himself but also for every member of the society regardless his religion. In one of the verses of the Quran, Allah says: “It is not righteousness that you turn your faces towards East or West; but it is righteousness to believe in God and the last day, and the angels and the Book, and the messengers; to spend of your substance, out of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask, and for the ransom of slaves; to be steadfast in prayer, and practice regular charity; to fulfill the contracts which you have made” (Al-Baqarah, 2:177).

Meanwhile the Islamic construct of the physical spa environments would refer to the spa facility that consists of wet treatment room with separation of gender, dry treatment rooms, baths and showers, laboratories, reception, relaxation, waiting areas, locker rooms, retail areas, administrative area and other associated areas different than conventional construct (Erfurt-Cooper & Cooper, 2009). In Islamic spa, aspects such as purpose of a visit to spa, Islamic guidelines of spa resource that consist of water therapies such as body wrap, body scrub, baths, the built environments of the spa according to Islamic values with treatment therapist segregation by gender, the use of rooms and the different services to clients both men and women. The technologies used in both supplying the treatments and the usage of halal material need to adhere to Islamic sharia. This study thus attempts to describe the basic concepts of Islamic spa based on the Quran and Sunnah and historical practices. Applying the concept of Islamic practice is not only on the services offered but
also in an execution of business operations including the use of verses of the holy Quran before starting the treatment procedures and using therapy of ‘zikirullah’.

1.2 Overview of the Research

In order to access the consumer perceptions towards Islamic Spa Approach, it is important to review on how the spa tourism has evolved. One of the major motivations for undertaking the activity of tourism apart from touring to the place of interest is satisfaction and rejuvenation elements of tourist experience. Tourist motivation embraces physical and physiological facet because travel is expected to satisfy different level of needs such as personal and interpersonal reward while physiological needs include of food, shelter, safety, health and fitness (Witt, Wright, Johnson, & Thomas, 1992).

The word spa is an acronym for Latin phrase ‘salus per aqua’ which means ‘health via water’ and in ancient time people used to travel to hot or cold springs in hope of effecting cure for some illness (Frost, 2004). Spa is the name given to water therapies that have been applied since the Romans empire in improving one’s health. It is also believed that the word ‘spa’ was originated from Belgium, taking the name of a small Belgian town, situated in Waloon and Liege where several hot mineral springs exists and having a curative power to heal skin...
problems (Miller, 1996). Spa was the first mineral source to gain fame in post-Roman times. In 1326, one Collin Leloup noticed the curative properties of the water until the 16th century and make the little town in Ardennes well known, leading Europe's crowned heads to the well to imbibe the waters (MacDonogh, 1999). In addition to its physical implications, the concept of spa defined by the International Spa Association, refers to entities devoted to enhancing overall well-being through a variety of professional services that encourage the renewal of mind, body and spirit (A. H. N. Mak, K. K. F. Wong, & R. C. Y. Chang, 2009).

Furthermore, spa tourism is a component of health tourism that relates to the provision of specific health facilities and destinations which traditionally include the provision of mineral waters (Hall & Hudson, 2003). It is also a type of tourism which focused on the effect of relaxation and curative influence on the human body, achieved by the means of water-based procedures, such as mineral waters, thermal pools, vapor-baths and sauna. This changing paradigm of healing and rejuvenation has created the concept of spa ultimately.

The main factor of this development and change is the prominence of sauna-vapor-water systems as supporting and complementary elements to medicine and the demands of the users in this healing property. Even in modern times the therapeutic property of water is being used to treat various health disorders. The emphasis is placed upon the healing properties, leading to recovery and renewal of the body (Smith & Puczkó, 2008). The main reasons stated by consumer for their visits to spa are for stress reduction, specific
medical or other health issues, eating and weight loss, rest and relaxation, fitness and exercise, and pampering and beauty (Frost, 2004)

An increasingly concern on health, fitness and body image has develop spa tourism as extremely significant market segment that includes developed countries such as Austria (Ender, 1989), France (Guignand, 1989; Mesplier-Pinet, 1990), Germany (Carone, 1989; Godau, 1989), Hungary (Goodrich & Goodrich, 1987), Iceland (Millward, 2000), Israel (bar-On, 1989; Niv, 1989), Italy (Becheri, 1989), New Zealand (Hall and Kearsley, 2001), New Zealand (Lanquar, 1989), China (Wu, 1994), Cuba (Wolff, 1992; Goodrich, 1993), the Carribean (Goodrich, 1994), India and Malaysia (Malaysia, 1998). Spa tourism development and growth has been stimulated by a growing consumer interest for products that contribute to notions of fitness and wellness, including the type of vacations purchased (Spivack, 1998). Spa tourism contains multiple ideas of landscape and building appreciation, environmental and touristic sustainability, health improvement, self-involvement, active learning, facility-client relationships and the important of the involvement of host communities that transcend the passive tourist experience (Smith & Kelly, 2006). Furthermore, spa tourism involves an individual in a personal assessment of their health and physiological status and understanding of the physical, social, regulatory and business environments surrounding this activity (Erfurt-Cooper & Cooper, 2009).
While in Islamic spa and tourism, Islam as Ad-din or a way of life provides guidelines in every aspects of human being. To ensure that tourism is in line with the Islamic philosophy, it is imperative that the main intention of the journey or travelling is ascertained. In Islam, each and every deed of a Muslim is based on the intention. According to a Hadith of Rasulullah (p.b.u.h) based on the authority of Umar Al-Khattab, “I heard the Messenger of Allah (s.a.w) say: “Actions are, but by intention and every man shall have but that which he intended” (Narrated by Bukhari). Islam observes that any action performed by a Muslim is counted as virtue as long as it is done accordingly and does not inflict harm or damage to his self or others. It means the intention of going to spa to attain good health as curing one illness through water is considered legitimate. In fact, this action is deemed worship if it is for the purpose of seeking Allah’s blessing and the implementation does not contradict with the tenets of Islam. The teachings of Islam encompass all aspects of life and not only confined to the relationship of servant and Creator (H. Din, 1991).

During the Islamic Ottoman Turkish empire, the Ottomans values mineral springs water through their Hammams, or communal baths as quoted in the Quranic passage “(We) created out of a drop of water everything alive”, highlighting the sacred importance of water in Islamic teachings (Ulibarrí, 2011). The Hammams is the well known Turkish variant of a steam bath which traditionally consists of a spa like facility such as saunas, pools, public baths, a central massage platforms, a built of large round marble stone and a dressing
room. The Hammams have schedule usage for their male and female visitors (Goksugur, Karabay, & Kocoglu, 2006). Turkish baths, which are among the most important extant water structures through Islamic principles, are the products of a building type that appeared with the merger of Turkish bathing culture with the Anatolian bathing culture (Başa, 2009). At present, Turkish baths are defined in a different way as the venues for socializing and interacting with others in addition to bathing but still embracing the basic fundamentals of Islamic philosophy.

1.3 Problem Statement

In Malaysia, the government has made many attempts to attract more visitors to Malaysia especially those coming from the Middle East. About two-thirds of Malaysia’s populations are Muslim and halal food is widely available, making the country an attractive place for Middle Eastern Muslims to visit. Visitors from the Middle East stay twice as long as tourists from other parts of the world and spend nearly three-times more. In 2008 around 246,000 tourists arrived in Malaysia from the Middle East. Saudi Arabia provided 74,632 visitors, followed by Iran (63,165), the UAE (34,994) and Kuwait (18,853). This strong performance continued in 2009. ("Malaysia Tourism Report - Q2 2010," 2010). The data of visitors’ arrival from Muslim countries by the Malaysia Tourism report 2010 stated the huge potential of Islamic Spa
Approach (I.S.A) to be segmented into the Islamic tourism sector. Islamic tourism sector is a niche market which is growing in volume and significance, Deputy Prime Minister Dato Sri Najib Tun Abdul Razak (at the time) proposed the formation of a coordinating body to develop marketing strategies for Islamic tourism. Global Islamic Conference and Exhibition (GITC) defines Islamic tourism as an economic concept which includes development of new tourist destinations, as a cultural concept focusing on Islamic topics and heritage, and as a religious concept by including gender-segregation, alcohol-free venues and Islamic-financed and-organized tourism (Malaysia: Malaysia strives to lead Islamic tourism market, (2008). Asia News Monitor. Retrieved from http://search.proquest.com).

Despite the fast development pace of this spa industry and Islamic tourism sector, the concept of Islamic Spa Approach (I.S.A) need to be introduced briefly in the industry as a new alternative choices to the current conventional spas in the market thus the consumer perceptions towards Islamic practice need to be identified. In a report by the Intelligent Spas, the spas in Malaysia generate revenue of USD 50 million in July 2001 to June 2002; attracting 120,000 people which consists of 64% of females and 57% of international tourists. In another research by Intelligent Spas covering 232 respondents from Malaysia and Singapore shows that 34% visits spas during their travel, 25% visit spas one a month and nearly 50% pay more than USD100
The trend allows the Islamic Spa Approach (I.S.A) to be well emerged as a tourism product with an Islamic concepts and a new ways of generating revenues in the spa industry (Lee, 2001). Another area of concern is that there are no official guidelines on the implementation of the I.S.A, thus limiting the efforts of the authorities to monitor the activities and take necessary enforcement. The supply of qualified Islamic spa personnel is still limited. By comprehending the attributes related to Islamic Spa Approach and by increasing the consumer perception of these attributes, more meaningful strategies could be implemented by the relevant authorities to foster the growth of the Islamic tourism sector.

1.4 Research Questions

The following research questions guided the study:

1. What are the main variables in Islamic Spa Approach (I.S.A) which differentiate it from ordinary spa practice?

2. What are the main objectives in implementing Islamic Spa Approach?

3. What is the consumer perception towards Islamic Spa Approach (I.S.A)?
4. What is the underlying theory in consumer perception relates to Islamic Spa Approach?

1.5 Research Objectives

1. To determine the main variables and the potential variables in Islamic Spa Approach that differentiates it from conventional spa practice.

2. To examine consumer perceptions towards Islamic practice in spa industry.

3. To recommend a comprehensive Islamic Spa Approach and provide policy makers with information to guide better management plan in the future.

4. To measure the consumer perception towards Islamic Spa Approach in the market.

5. To examine the underlying theories in consumer perceptions relates to Islamic Spa Approach.
1.6 Significance of Research

The significance of this research is the evaluation of customer perceptions on the Islamic Spa Approach (I.S.A) along the growth of the spa industry in Malaysia. With the emphasis on Islamic concept, it will focus on attracting the Muslims customers while giving other consumer a choice on selecting the conventional spa or Islamic spa towards satisfying their needs. This research offers a framework that exposed the current condition and suggests a new concept of Islamic Spa Approach (I.S.A) in promoting new specialized market of the Islamic concept that will give significance impact to the economics, environment and social community in Islamic tourism sector.

Furthermore, this research identifies the determinants variables in Islamic spa approach that influence customer perceive value, thus will provide managers and policy maker with information to guide a better management plan development for this area in the future. The quantitative methodology by Structural Equation Model (SEM) enables the development of a preliminarily model that identifies elements of Islamic Spa Approach, and the push and pull factors of Islamic Spa Approach to be segment in the Islamic tourism sector. In the Malaysian context, in order for the Islamic spa industry to flourish, each spa operator needs to identify its key differentiation concept and elements in Islamic Spa Approach (I.S.A) to ensure sustainability and continuity growth. The spa industry in Malaysia has many avenues to grow with Islamic Spa