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# VALUE CHAIN MODEL AND MANAGEMENT OF WAQF-BASED HALAL TOURISM DEVELOPMENT

# Muhardi\*1, Nandang Ihwanudin2, Nurdin3

Universitas Islam Bandung, Indonesia\*123 <u>muhardi.z66@gmail.com\*1</u>, <u>nandangihwanudin.ekis@gmail.com²</u>, <u>psm\_fe\_unisba@yahoo.com³</u>

Abstract: The ability and professionalism of the waqf manager (nazhir) is one aspect that determines the success of waqf empowerment, which means it will be related to the process or value chain of wagf empowerment. One of the wagf empowerment capabilities in this study is aimed at the development of halal tourism. Therefore, the purpose of this research is to formulate a value chain model and manage wagf-based halal tourism development. The research method used is descriptive-qualitative, and the type of data needed is primary data obtained through interviews with halal tourism managers and visitors who come to the tourist attraction. Meanwhile, other data is obtained from relevant references related to the unit of analysis in this research discussion. Based on the information and data obtained, an analysis is carried out using the value chain model, followed by a description. The results show that nazhir has an important role in managing wagf assets. Therefore, in order to manage assets properly, a nazhir must have both managerial and entrepreneurial skills. From the value chain model, it is known that many aspects determine the success of halal tourism management, including the role of the government, investors, or business people, as well as individuals or communities that have contributed to building waqf-based halal tourism. The results of this study recommend that nazhir plays an important role in the value chain of halal tourism development and is one of the main keys to the success of wagf-based halal tourism management, so the ability and professionalism of nazir must continue to be built.

**Keywords:** Development Management, Value Chain, Waqf, Halal Tourism

### INTRODUCTION

In social life, both in developing and developed countries, the need for tourism has become a necessity that is worth fulfilling. Indonesia, as a large country with a dominant Muslim community, needs tourism objects or facilities that can meet the needs of its people. The development of tourism objects can be done with various efforts, one of which is by empowering productive waqf through innovation to build halal tourism needed by Muslim communities.

Nazhir is a party entrusted with managing productive waqf assets; therefore, the ability and professionalism of Nazhir are the keys to success in the utilization of productive waqf assets (Nurhidayat et al., 2022; Ratnasari et al., 2023), one of which is building waqf-based halal tourism, which will colour how halal tourism is managed and developed in synergy and sustainability.

Research on waqf-based halal tourism has been conducted by many researchers (Almuhrzi, 2020; Iskandar & Sungit, 2023); however, research on the value chain model



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and management of waqf-based halal tourism development has not been widely carried out. Therefore, the urgency of this research is to provide input to waqf asset managers and other relevant stakeholders to be able to understand the value chain model and development management in an integrated manner and comprehend the contribution of various stakeholders in managing wagf-based halal tourism.

It is interesting to study the value chain model in the development of this halal tourism object since managerial values in waqf empowerment become the main foundation for managing the halal tourism object. The value chain model can show the contribution of stakeholders in efforts to realize the success of waqf-based halal tourism development in a sustainable manner.

#### **METHODS**

The research design began with preparing the research topic and title, which were further strengthened by a literature review, the formulation of research questions and objectives, and the urgency of conducting this research. The types of data required include primary and secondary data. Primary data was obtained through interviews with the manager of this halal tourism object in Lembang and also with consumers or tourists, while secondary data was from related documents relevant to this research unit.

This research was conducted on waqf-based halal tourism objects in Lembang managed by the Sinergi Foundation. After obtaining information and data, the researcher then carried out an analysis using a management approach and value chain model and described it to be able to answer the objectives of this research. From the results and analysis, the researcher then formulated research conclusions.

## **Literature Review**

Halal tourism has become a concern for many countries, not only those with Muslim-majority populations but also those with diverse populations. High attention is paid to the existence of halal tourism objects, one of which is related to "the large potential market for halal tourism" (Ainin et al., 2020; Harahsheh et al., 2020; Simatupang et al., 2023). This big market means there are also big economic opportunities, not only for the surrounding community but also to have a positive impact on the economy of the region as a whole. In addition, the "Islamic lifestyle" (Pamukcu & Sariisik, 2021; Susilo et al., 2022) is one of the common reasons for the need to provide halal tourism. Particularly considering that Indonesia is a country with a large Muslim population, it also has a very potential halal tourism market (Saputri, 2020; Sholehuddin et al., 2021; Waluyo et al., 2022). That is why the development of halal tourism in Indonesia must continue and improve.

Procurement of halal tourism objects is carried out in various ways, one of which is the construction and development of waqf-based halal tourism built on waqf land with financing from empowering waqf investments. The development of waqf-based halal tourism will be related to the values of productive waqf management based on Islamic law (Rachman & Sangare, 2023; Vargas-Sánchez & Moral-Moral, 2020); the Islamic norms and values (Ali et al., 2019; Ekka, 2023); and complying with the provisions of the applicable regulations with the noble goal of "the welfare of the people" (Amarodin, 2019; Ghozilah & Khasanah, 2020; Utami, 2019). Thus, it is very appropriate if the halal tourism object is built based on productive waqf management so that it fulfils the terms and



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conditions of a tourist attraction called halal tourism. Optimizing the utilization of this productive waqf requires the role of Nazhir as the manager of waqf assets (Syaifullah & Idrus, 2019). Ideally, responsibility in waqf management, in this case the management of waqf-based halal tourism objects, requires "harmony of roles between the community, nazhir, and the government" (Abdullah, 2020; Ulfiana & Yulianti, 2019) or cooperation from stakeholders (Zainuri et al., 2021).

Many parties certainly play a role in the development of halal tourism; therefore, to know and understand the main stakeholders who contribute to the development of waqf-based halal tourism, an approach known as the value chain model can be used. The value chain model is the approach proposed by Porter (1985), and henceforth this value chain model is inspired and modified to suit the discussion related to the value chain model for the development of waqf-based halal tourism.

#### **RESULTS AND DISCUSSION**

There have been many studies on waqf empowerment, with most focusing on the role of productive waqf empowerment for the welfare of the community or target audience. However, research on productive waqf empowerment, especially related to the value chain approach and management of waqf-based halal tourism development, has not been widely conducted.

In Indonesia, especially in West Java, the Muslim population is the largest; therefore, the halal tourism market in West Java is considered to have great potential. This condition supports the provision of halal tourist objects or services. Moreover, the services available for halal tourism products are not only enjoyed by the Muslim community but also by non-Muslims (Ratnasari, 2020), such as food (culinary) products that are not only guaranteed halal but also have good product quality (halalan thayyiban).

Establishing and developing halal tourism objects and facilities is certainly not easy, as it requires the readiness and availability of various resources. One of the resources needed for the development of halal tourism is the availability of sufficient locations, and what can be provided as the object in this study are waqf assets. Through productive waqf in the form of land or location, which is in accordance with the provision, halal tourism can be built on it, and therefore its management will also be filled with the values of productive waqf asset management in a sustainable manner. Related to the halal tourism value chain model, the value chain mechanism is shown in Figure 1 (modified from Porter, 1985).

Waqif (the person making the grant) hands over the waqf land to Nazhir, the party entrusted with managing the waqf. Thus, the success of halal tourism objects built on waqf land will be determined by the expertise, ability, or professionalism of the nazhirs in their management. Nazhirs who are successful in managing the halal tourism object under study have not only managerial skills but also entrepreneurial skills. Managerial skills are the skills needed to carry out the managerial cycle, namely planning, implementing, controlling, and following up on improvements to produce better-added value; meanwhile, entrepreneurial skills are business skills to make the products offered accepted by the market (marketable) and can provide a decent profit (profitable).

The success of halal tourism objects built on waqf land in Lembang as the unit of analysis in this study is partly due to the role of nazhir in managing these waqf assets. The Sinergi Foundation is an independent public institution concerned with encouraging the development of creativity and innovation in social empowerment based on productive waqf



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and ZIS (Zakat, Infaq, Shadaqah). As a nazhir, the Sinergi Foundation does not stop innovating, one of which is innovation in developing halal tourism objects or facilities located in Lembang. With such expertise or professionalism, nazhir will be the key to success in managing halal tourism based on productive waqf.

In developing this halal tourism object, business units that produce tourism products are managed with the concept of collaboration or partnership, namely collaborating with related parties according to their areas of expertise, so that these various business units can be managed professionally. For example, restaurant business units and other culinary business units provided at the halal tourism location are collaborations with experienced parties (experts) in managing the culinary business as well as other business units. Handing over management to experts is a management effort that is the key to business success; not only that, this effort also demonstrates managerial professionalism, including risk mitigation, to be able to build a sustainable business.

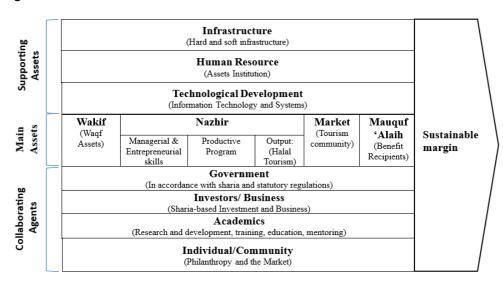


Figure 1: Waqf-Based Halal Tourism Value Chain Source : Processed data (2023)

In reality, there are still waqf assets that are less productive due to weaknesses in their management (Baharuddin & Iman, 2018). In relation to innovation in utilizing waqf land to establish and build halal tourism objects, which must be accompanied by managerial and entrepreneurial skills from the nazir in order to realize the noble goal of productive waqf management, the aim is to be able to provide benefits to society, in this case, the beneficiaries of waqf and other related communities, as a positive impact of the existence of waqf-based halal tourism.

From the field results, there are several reasons why people choose this waqf-based halal tourist attraction, one of which is for culinary products, where tourists as consumers get strong confidence in the guarantee of halal and good products (halal and thayyib). Therefore, this halal tourist attraction in Lembang has gained acceptance from the community, as evidenced by the significant number of visitors from time to time. For example, from the information obtained from the manager, it is known that there was an increase in turnover from May to June 2023 of 37.74% for these culinary products. Not only



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can visitors choose culinary products, but they can also choose other products such as garden tours and others. Garden tours, especially orchid gardens, get market acceptance and have a marketable and profitable captive market.

In addition to business units, service units are also one of the advantages of waqf-based halal tourism in Lembang, namely the existence of the Daarul Aulia Mosque as a place of worship that can accommodate quite a lot of worshipers/jamaah. In line with this, a retail entrepreneur in Bandung City, based on his field experience, argues and states that in every retail unit he builds, he always includes the availability of a prayer room as a place of worship for shop visitors, and it is proven that this has a real influence on the success of each retail business.

A mosque in a halal tourist location can be a special attraction for visitors since it will provide comfort and tranquillity for consumers (tourists) to visit or be in a tourist location. If the prayer time arrives and visitors are still at the tourist site, they will feel comfortable and be able to immediately perform the prayer at the tourist spot.

The development of halal tourism that provides halal and thayyib food, representative places of worship, and other supporting service infrastructure will provide a special attraction for visitors, and of course, this must be accompanied by management expertise. According to researchers, the presence of a representative mosque in the location of halal tourism is one of the significant factors determining the success of halal tourism.

The innovation of productive waqf empowerment in the form of procurement and development of halal tourism is certainly inseparable from its compatibility with the applicable regulatory aspects and the existence of various infrastructures with easy access, strategic location, and a conducive tourist attraction atmosphere. Advances in information technology serve as an opportunity for management to help attract investors to build these tours as well as promote the existence of tourist attractions to the target community. The advancement of technology is not considered a threat but a very important opportunity for building halal tourism objects.

Information from the field revealed that "sustainability" is a keyword for the success of a business, including for halal tourism objects. Sustainability (Sudiyanti, 2014) includes, among others, the sustainability of products, investments, management, and markets. For the sustainability of tourism products, the manager, in this case, the Sinergi Foundation as the nazir, strives to innovate continuously to optimize waqf empowerment, one of which is by building halal tourism and providing tourism products needed by the market.

Next is investment sustainability, namely productive waqf assets used as investment instruments in building halal tourism facilities and infrastructure. The manager understands that the amount of investment value is not the most important thing, but how to "manage" the investment productively, or, in other words, sustainable waqf investment management, effectively and efficiently.

Management sustainability is the next aspect of sustainability that must exist, namely, managers who have a sense of responsibility and integrity. In managing this halal tourism, the management (leaders of the Sinergi Foundation) seeks to improve their expertise, skills, and knowledge. Some of these efforts include the manager (Nazhir) taking further formal education, attending managerial training, participating in research and development (research with universities), and making the experience an input to be able to manage this tourist attraction better in a sustainable manner.

The next aspect is market sustainability, indicated by the response or visit of consumers or service users. The location of the halal tourism object used as the unit of



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analysis in this study is quite strategic and easily accessible by potential consumers. In addition, marketing efforts made by the tourism manager are considered important, as they market products via the Internet and conventional word-of-mouth marketing, which is considered the most effective way to attract the market. In this regard, the best service quality for the market is one of the most important aspects for managers in developing this wagf-based halal tourism object.

#### CONCLUSION

Waqf-based halal tourism in Lembang was built to fulfil the needs of the community for tourism. The success of halal tourism management built on waqf land is determined, among other things, by the role of innovative and professional nazhir. Therefore, the nazhir not only needs managerial skills but also entrepreneurial skills to be able to manage halal tourism optimally. Many factors determine the success of waqf-based halal tourism management, including the government, investors/ businesses, and individuals or communities that contribute to building sustainable waqf-based halal tourism.

The results of the study recommend that the role of nazhir in the value chain is one of the main keys to the success of productive waqf empowerment, including the management of this waqf-based halal tourism development. Therefore, the ability and professionalism of nazhirs need to be continuously improved. In addition, to be able to manage halal tourism objects in a sustainable manner requires the integration of various stakeholders; therefore, harmonious partnerships and collaborations need to be continuously built.

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