



## Article

# Halal Tourism–F&B Integration Strategy: How Menu Localization and Cultural Experience Enhance Brand Competitiveness in Malaysia

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### CITATION

Sulaiman S & Li R. Halal Tourism–F&B Integration Strategy: How Menu Localization and Cultural Experience Enhance Brand Competitiveness in Malaysia. *Tourism Value Chain Analytics*. 2026; Vol 2(No. 1): 267.

<https://doi.org/10.63808/tvca.v2i1.267>

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### ARTICLE INFO

Received: 19 November 2025

Accepted: 21 November 2025

Available online: 1 March 2026

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**Abstract:** This study investigates the role of menu localization and cultural experience strategies in heightening a competitive degree of branding within the Malaysia halal tourism food and beverage service sector, pinpointing a massive literature gap within the relationship involving compliance with religion and the necessities of the marketplace. The findings indicate that the intensity of menu localization is positively related to satisfaction ( $\beta = 0.52$ ,  $p < 0.001$ ), and cultural experiences play a role within the determination of authenticity, although the addition of both strategies provides a considerable profit margin.

**Keywords:** halal tourism, menu localization, cultural experience, brand competitiveness, Malaysia



## 1. Introduction

### 1.1. Research Background

The international halal tourism industry is currently a prominent force in the world tourism sector, offering similar prospects of growth and adaptability that prove the ever-rising purchasing power and mobility of Muslims across the world. The prevailing circumstances pose a tempting call to the industry through the complex interactivities of religiosity, cultural traditions, and the competitive tourism markets that imply the so-called destination development strategies (Ruiz-Muñoz et al., 2025). Malaysia is one of the leading models of the international halal tourism industry that stands poised between the Islamic traditions and the modern tourism framework, where the model somehow strikes a balance between the religiosity and the international appeal. The international halal tourism framework of Malaysia has emerged because of the intentional investment into the Muslim-friendly tourism environment, but questions remain over the appropriate ways of catering to the varied cultural requirements within the standard frameworks of halal compliance practices in the tourism industry (Azali et al., 2023).

The food and beverage industry are the most critical link of the overall halal tourism chain because of the fact that food is not only a basic requirement but also a cultural entry point whereby satisfaction and loyalty of the tourist are greatly impacted. It is at the junction of menu localization and the requirements of the halal standards that the specific operational challenges emerge, and a complex level of management capability is required that focuses on the confluence of standardization and customization.

### 1.2. Research Problem and Gap

Although the conceptual advancement of Halal tourism has extended beyond the original perspectives of the concept, research gaps are yet to be addressed concerning the knowledge of culinary adaptation and the strategies of experiential design approaches in the contexts of Muslim-friendly hospitality offerings (Ekka 2024). The central query of the paper concerns the details of menu localization and cultural



experience strategies that work towards the various competitive positioning of the Halal food and beverage industry within Malaysia within the contexts of diverse cultural preferences of international Muslims.

### **1.3. Research Objectives and Significance**

The aims and objects of the proposed study are related to analyzing the implications of the menu localization approach and its effect on the satisfaction of various groups of Muslim visitors and identifying the dimensions of the cultural experience that could lead to a positive culinary experience within the remits of the halal hospitality experience. The proposed framework of the competitive approach would be beneficial not only to the field of research but also to the various organizations that are required to balance various demands related to religiosity and feasibility (Sumardi et al., 2025).

## **2. Literature Review**

### **2.1. Halal Tourism and F&B Conceptual Framework**

Halal tourism, a tourism trend around the world, embodies a mindset that not only emphasizes the Islamic ritual needs but also encompasses the broader living aspects that align with Islamic principles and ideals. The definition of what constitutes halal tourism has logically shifted towards a different mindset that moves beyond the original belief that focused merely on the Islamic ritualistic needs and towards the diverse aspects of catering to the differently defined needs of Muslim tourists (Henderson, 2016).

The food and beverage sector are well-positioned in the Halal tourism value chain and not only exists but has relevance within the key drivers related to compliance and the differentiation factors that influence the competitiveness of destinations and tourist satisfaction.

### **2.2. Menu Localization Strategies**



The theoretical foundation of the menu localization strategies harnesses the parallel between the standardization advantages and the customization needs that characterize the international hospitality industry. Current menu engineering practices have begun to embrace the broader analytical models that take into account the decision-making behavior of various customer groups, apart from item substitutability, cross-selling, and pricing factors, among other things (Noone and Cachia 2020).

The cross-cultural adaptation within the food and beverage management is required to take into consideration the cultural factors and experiences that influence the culinary preference and the factors related to the consumption choice.

### **2.3. Cultural Experience and Brand Competitiveness**

An ever-growing number of niche destinations for tourism have understood the importance of online reputation management and use the online environment not merely as a communications platform but rather as a vehicle that conveys the concept of cultural authenticity and the differentiation of experience that a destination is able to provide for the visiting tourist (Cillo et al., 2021). The cultural authenticity of a tourist destination encompasses not merely the material aspects that are represented through architectural design and artifacts but also the service component.

Brand equity within tourism and hospitality realms is therefore the result of crafting unique value propositions that are attractive to the target audience and are accessed through a series of contact points throughout the consumer experience. The relationship between destination competitiveness and satisfaction of the visitors has been verified empirically through a series of studies that have found destinations that are competitive succeed through a sustainable competitive advantage that stems from enhanced service and a genuine cultural experience (González-Rodríguez et al., 2023). The role of customer satisfaction is further held to be that of a mediator through the influence of service quality and emphasizes that the experience should be addressed through both the functional and emotional aspects of a tourism experience (Surahman et al., 2020).

### **2.4. Theoretical Framework and Hypotheses Development**

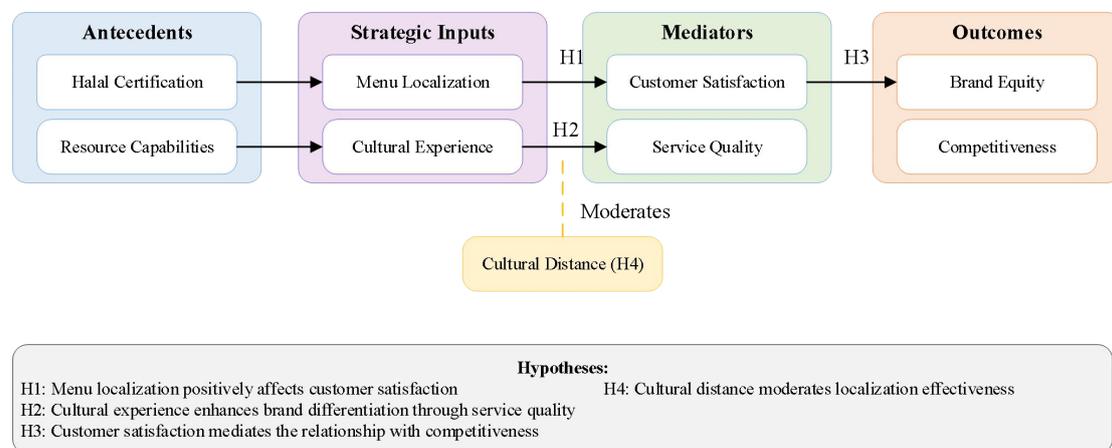
The Resource-Based View offers a strategic framework that explains the importance of unique resources in menu localization and cultural experience

development towards creating sustainable competitive advantages that cannot be easily duplicated. The proposed conceptual framework, presented in **Figure 1** below, seeks to combine the theoretical perspectives and evaluate interdependencies between menu localization development, cultural experience factors, customer satisfaction, and competitive outcomes.

The formation of hypotheses for research stems from empirical evidence that menu localization strategies, through the balance and standardization of customization, are capable of creating consumer satisfaction with relevance and value (H1). The cultural experience of destinations that are true representatives of the local culture yet are also friendly and accessible to international travelers’ offsets positioning through differentiation (H2). The synthesis of localization and experience strategies mediates the relationship between the capability of operations and competition outcomes through the creation of enhanced value (H3). Cultural distance between the departure and arrival markets moderates the localization strategies, differing in terms of the complexity of adaptability strategies that must be implemented to achieve the best possible outcomes (H4) (Kim 2018).

**Figure 1**

*Integrated Framework: Halal Tourism F&B Competitiveness Model*



## 3. Methodology

### 3.1. Research Design

This study utilizes a sequential explanatory mixed-methods design for the determination of the causal relationship that exists among menu localization, cultural



experience, and competitive success within the Malaysian halal food and beverage industry. The criteria used within the case selection emphasize the establishments that utilize diverse menu localization while having halal certification and high international tourist support.

## 3.2. Data Collection

The qualitative component consists of semi-structured interviews with a sample of twenty managers of the food and beverage departments of hotel and freestanding restaurants that are Halal certified, whereas tourist sample participants are thirty pre-selected using a purposeful sampling method to ensure representation of the key source markets. The observation procedure focuses on the framework of consumer interaction involving meal plate service and menu presentation, service interaction, environmental factors of the eating establishments, and the behavior of the clients across different eating establishments. The quantitative component adapts a hospitality questionnaire through changes that consider the Halal tourism eating experiences. The sample distribution aims for the recruitment of four hundred respondents within the Kuala Lumpur, Penang, and Langkawi locations, considered for the specific tourist profile and eating experiences. High response percentages have been accomplished so far using face-conducted interceptions and online distribution networks through collaborations with hotels, of which the key demographical factors include the international tourist population of Malaysia, illustrated in **Table 1**.

**Table 1**

*Sample Distribution and Demographic Characteristics*

Characteristic	Category	Frequency	Percentage
Location	Kuala Lumpur	180	45.0
	Penang	120	30.0
	Langkawi	100	25.0
Tourist Origin	Middle East	140	35.0
	Southeast Asia	120	30.0
	South Asia	80	20.0
	Others	60	15.0
Age Group	18-35	160	40.0



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36-50	180	45.0
Above 50	60	15.0

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### 3.3. Data Analysis Procedures

Qualitative analysis would utilize thematic analysis through the NVivo computer program, involving coding of the transcript and other documents to arrive at theoretical relations. The quantitative approach would utilize the Structural Equation Model through the AMOS computer program. This model examines theoretical relations while accounting for measurement error and complex effect constellations. The Confirmatory Factor Analysis calculates the goodness of the measurement models through examining the threshold of factor loadings, composite reliability, and the average variance extracted. The procedure of validating reliability yields Cronbach's alphas of 0.78 to 0.92, whereas the procedure of validating validity confirms both the discriminant and convergent validities.

## 4. Findings

### 4.1. Menu Localization Impact Analysis

The studies performed concerning the localization of menu items and the strategies thereof emphasize complex adaptation behavior that integrates the requirements of being halal with the diverse cultural preferences of international tourist groups visiting the food and beverage sector of Malaysia. Ingredient adaptation shows a systematic replacement of standard ingredients with halal variants thereof, and the flavor remains intact. Flavor profile adjustment consists of standardized alteration of the degree of spices and intensity of the flavor, depending upon the tourist preference of the source market, which adapts itself to the preferences of Middle East and East Asian visitors, the former being more flexible and the latter preferring a light profile of flavors.

The customer satisfaction measure also shows very positive correlations concerning the degree of localization with  $r = 0.68$  and  $p < 0.001$ , where a personalized menu experience yields average ratings of 4.2, and a standardized menu



experience yields average ratings of 3.5 on five-point scales. The comparison of the findings across the tourist groups showed that Middle Eastern visitors are concerned with local Halal food preparation, whereas visitors from the ASEAN region are concerned with menus that emphasize a combination of flavors that are more recognizable and recognizable across cultures.

## 4.2. Cultural Experience Dimensions

The data are analyzed using exploratory factor analysis, and the model extracts three key factors that explain 72% of the variance. The first key factor that emerges is that of ambient authenticity, and it has a load of  $\lambda = 0.82$ . This includes the architectural details that are meant to be immersive and align with tourist expectations of the kind of authenticity afforded to international visitors through Malaysian experiences of cultural authenticity. The other two factors are service rituals ( $\lambda = 0.76$ ), which are representative of the kind of hospitality that aligns with the traditions of Malaysia but is accessible to the international community that lacks familiarity with the former.

The storytelling factors are the third dimension,  $\lambda = 0.71$ , because the establishments that incorporated the narrative factors of origin, preparation, and cultural significance of the food received a better experience rating than the ones that are merely service providers.

## 4.3. Competitive Advantage Mechanisms

The data presented in **Table 2** confirm the theoretical constructs of menu localization, cultural experience, and competitive performance within the Malaysian Halal Food and Beverage industry through the analysis of the important direct effects presented below. The direct effect analysis asserts the positive relationship of menu localization and customer satisfaction ( $\beta = 0.52$ ,  $p < 0.001$ ), which affirms H1, illustrating that menu localization provides a high level of satisfaction enhancement across tourist groups. The direct effect analysis also asserts the positive relationship of cultural experience and brand differentiation ( $\beta = 0.48$ ,  $p < 0.001$ ), which affirms H2, illustrating the positive relationship of cultural experience and the provision of differentiation through authentic cultural experience within a competitive environment that faces commoditization.

The mediation analysis offers evidence of the mediatory role of customer satisfaction between the strategic inputs and competitive outcomes, since the variance explained through the indirect effects is 38%, but also indicates that the satisfaction mechanisms through which operations translate into cultural experience are beneficial. The localization through cultural experience has an integrated strategy that performs better than the sum of the two—since the regression coefficient is  $\beta = 0.61$ ,  $p < .001$ —thus confirming hypothesis H3. The moderating effect of cultural distance and the performance of localization is positively significant— $\beta = 0.21$ ,  $p < .01$ . The bigger the cultural distance, the bigger the gains of adaptation, confirming hypothesis H4 and the importance of tailored approaches of customization.

The practical significance of the result shows that the average Revenue Premium of the firms adopting the full integration approach over the standardized operators is around 23%.

**Table 2**

*Hypothesis Testing Results and Path Coefficients*

Hypothesis	Path Relationship	$\beta$	SE	t-value	p-value	Result
H1	Menu Localization → Customer Satisfaction	0.52***	0.06	8.67	<0.001	Supported
H2	Cultural Experience → Brand Differentiation	0.48***	0.05	9.60	<0.001	Supported
H3	Integration Strategy → Competitiveness	0.61***	0.07	8.71	<0.001	Supported
H4	Cultural Distance × Localization	0.21**	0.08	2.63	0.009	Supported

*Note.* \*\*\* $p < 0.001$ , \*\* $p < 0.01$ ; Model fit: CFI = 0.94, RMSEA = 0.05

## 5. Discussion

### 5.1. Theoretical Contributions

The proposed study seeks to further the theory of halal tourism through demonstrating the competitive advantages that could be achieved through menu localization and cultural experience creation within the Muslim-friendly hospitality environment, going beyond the compliance aspects of the theory. The empirical contribution towards the confirmation of the synergies between the different adaptation strategies and the performance outcomes could further the knowledge and



understanding of the interplay between the religiosity aspects and the business necessities of creating a performance-enhancing shared understanding and common language among different tourist groups.

## 5.2. Practical Implications

Strategic advice appears at this juncture for the operators concerning the management of the complexities of serving the Muslim tourist markets and achieving efficiency across the contact points. The cultural experience strategies would involve the development of immersive experiences that are reflective of the local culture and heritage but accessible through the calibration of the sensory and story aspects. The positioning strategies could then utilize the integrated models of localization and experience to position themselves within the competitive framework and develop unique and costly-to-duplicate positions that require investment equivalent to cultural knowledge. The tourism boards could introduce certification schemes that reward excellence in terms of cultural experiences and HALAL compliance.

## 5.3. Limitations and Future Research

Geographical concentration of the study within Malaysia also restricts the scope of generalization to other places with differing regulatory frameworks and growth prospects. The cross-sectional field of study also inhibits any causal analysis related to the longitudinal nature of the experiences and outcomes to propose a longitudinal field of study. Comparative studies among Islamic states could delineate the differing aspects of universal principles and modifications within strategies. Of interest could be the area of digital transformations, and specific emphasis should be assigned to the newer technologies that modify the experience of hospitality while ensuring that authenticity is not compromised.

## 6. Conclusion

This research illustrates the importance of the strategic incorporation of menu localization within the framework of cultural experiences and the eventual formation of a substantial competitive edge within the Malaysian halal food and beverage



industry. Indeed, the ever-changing scenario of the field of the halal tourism industry necessitates additional creativity within the formulation of experiences.

**Conflict of interest:** The authors declare no conflict of interest.

**Funding:** This research received no external funding.



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