

Strategic Integration of MICE Tourism for Enhancing Sharia Hotel Occupancy in Medan City

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KEYWORD	ABSTRACT
Halal Hospitality, Medan City Tourism, MICE Tourism, Occupancy Strategy, Sharia Hotel Marketing	This study investigates how Sharia hotels in Medan, Indonesia, can optimize MICE (Meetings, Incentives, Conventions, and Exhibitions) tourism to increase occupancy rates. The issue arises from overreliance on government-related events and recent budget reductions, which have weakened performance and underscored the need for alternative marketing strategies. This research contributes novelty by proposing an integrative model that blends digital marketing, collaborative partnerships, and Islamic service values, which remain underexplored in hospitality studies. Employing a qualitative approach through interviews and secondary data, the study identifies five strategic directions: market diversification, enhancement of digital and hybrid meeting technologies, development of a collaborative MICE ecosystem, inclusive marketing education, and pursuit of regulatory support. The analysis is grounded in Social Identity Theory and the Resource-Based View, demonstrating how a strong Islamic service identity and effective resource utilization can strengthen competitiveness. Findings suggest that a holistic and adaptive integration of MICE tourism not only boosts occupancy but also expands customer segments while preserving Sharia compliance. The study concludes that moving beyond a government-centric model toward a diversified, digitally driven strategy is essential for the long-term sustainability of Sharia hotels in Indonesia.
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1. INTRODUCTION

The hospitality sector, especially the MICE (Meetings, Incentives, Conventions, and Exhibitions) industry, has an important role in driving tourism growth and the regional economy. In Indonesia, the demand for MICE services continues to increase in line with the development of corporate and government activities. Medan, as the capital of North Sumatra Province and the gateway to tourism, has great potential for MICE development, supported by hospitality infrastructure, cultural and religious tourism attractions, and its position as a business center in the western region of Indonesia (Jamgade, 2019; Katsitadze & Natsvlishvili, 2017).

The city of Medan currently has hundreds of hotels, including 19 sharia concept hotels that operate with halal service standards and according to Islamic principles. Some of them, such as Madani Hotel Medan and Grand Darussalam Hotel, have provided MICE facilities to serve the needs of meetings, seminars, and conventions based on Islamic values (Rojas-Bueno & Reardon, 2022; Wan, 2022). The existence of these hotels is in line with the global trend of halal tourism, where Muslim tourists are demanding accommodation services that are more in line with sharia.

However, the development of sharia hotels in Medan faces serious challenges. The high dependence on MICE activities organized by government agencies makes Islamic hotels vulnerable to budget efficiency policies. The decline in spending on official trips and official meetings has led to many event cancellations, which has an impact on declining room occupancy rates and weakening operational sustainability (Hurdawaty & Sahid, 2022; Rogerson, 2019). The chain impact of this condition is also felt by other sectors such as restaurants, transportation, and MSMEs (Prabhu & Ravindran, 2022).

In addition to policy factors, there are other obstacles such as weak marketing strategies, limited digital integration, and low promotion of the advantages of sharia services. On the other hand, the previous literature has mostly discussed conventional hotels, while studies on how Islamic hotels can harness the potential of MICE are still very limited (Yao et al., 2024; Sylla et al., 2015). This condition shows that there is a research gap, namely the lack of a strategic model that integrates sharia principles with marketing and technological innovations in the context of MICE.

This research offers novelty in the form of an integrative model that combines the perspective of *Resource-Based View (RBV)*, *Social Identity Theory*, and *Smart MICE concepts* to formulate a marketing strategy for Islamic hotels in Medan. With this approach, sharia hotels are expected to be able to reduce dependence on the government market, expand consumer segments, and increase competitiveness through strategies that are in line with Islamic values while being adaptive to digital developments and global trends in halal tourism.

2. LITERATURE REVIEW

Management Marketing

Marketing management is one of the fundamental aspects of the modern business world, playing a strategic role in achieving organizational objectives. Essentially, marketing management encompasses the planning, implementation, and control of various marketing activities aimed at

creating value for customers while generating profit for the company. (Rojas Bueno et al., 2020) define marketing as a social and managerial process through which individuals and groups obtain what they need and want by creating and exchanging value. In this context, marketing is not merely about selling products, but rather a comprehensive strategy to build long-term relationships with customers through an integrated marketing mix, which includes product development, pricing, distribution, and promotion (Kusuma, 2019).

The scope of marketing management includes market analysis, strategy formulation, product development, pricing, distribution, promotion, as well as evaluation and control of marketing effectiveness (Zazueta-Hernández & Velarde-Valdez, 2024). Marketing strategies such as market penetration, product development, and diversification are also employed to strengthen a company's competitive position amid the dynamics of global markets (Disimulacion, 2020). Various experts have offered definitions that enrich our understanding of this concept. Philip Kotler refers to marketing management as the art and science of choosing target markets and building superior customer value. William J. Stanton emphasizes the process of planning and executing concepts, pricing, promotion, and distribution, while John A. Howard views it as a scientific process involving market research, promotional strategy, and customer service. (Mena-Navarro et al., 2024)

Functionally, marketing management plays a vital role in analyzing markets, determining target and customer segmentation, building strong positioning, and developing and implementing the marketing mix strategies (from 4Ps to 7Ps). Performance evaluation also becomes crucial to ensure that the strategies implemented remain relevant and effective (Disimulacion, 2021b). The main objectives of marketing management include creating customer value, increasing sales and profitability, expanding market share, building a positive brand image, and fostering customer loyalty (McCartney, 2008). To achieve these goals, various marketing management concepts have been developed over time, such as the production concept, product concept, selling concept, marketing concept, societal marketing, digital marketing, and customer relationship management (CRM), all of which adapt to the ever-evolving market demands. (Uansaard & Binprathan, 2018)

The marketing mix has also evolved from the original 4Ps to the extended 7Ps: product, price, place, promotion, people, process, and physical evidence. This approach enables companies to design strategies more comprehensively, focusing on customer satisfaction. (Silva-Pedroza et al., 2017) Thus, marketing management is not merely a tool to achieve business targets but also a strategic framework for building sustainable competitive advantage. A deep understanding of

marketing management theory and practice is essential for companies to effectively respond to increasingly competitive and dynamic market challenges.(Gregoric, 2014)

Meetings, Incentives, Conventions, and Exhibitions (MICE)

Halal MICE is an emerging niche within the global tourism sector that merges the professional nature of business events with the ethical and religious requirements of Islamic principles. The rise of this specialized segment is driven by the increasing economic power of Muslim-majority countries and a growing demand for travel that aligns with Islamic values. This section will strengthen the literature review by incorporating specific studies on Halal MICE from other countries, providing a clearer and more comprehensive context for Medan's strategic development (Aburumman, 2020).

1. Meetings

Meetings are formal gatherings of individuals with shared interests, held to achieve objectives such as planning, decision-making, or knowledge sharing. Lekgau and Tichaawa (2023) emphasize that meetings, whether internal or external, are central to organizational communication and strategic development (Lekgau & Tichaawa, 2023).

2. Incentives

Incentive travel, defined by Rojas-Bueno et al. (2023), serves as a reward-based program designed by companies to motivate employees or partners. Unlike meetings, incentives are primarily leisure-oriented but contribute significantly to employee engagement, productivity, and loyalty (Rojas-Bueno et al., 2023).

3. Conventions

Conventions represent large-scale assemblies organized by industries or associations to exchange knowledge, present innovations, and strengthen professional networks. Lekgau and Tichaawa (2021b) highlight that conventions are often international in scope and generate considerable socio-economic impact (Lekgau & Tichaawa, 2021b).

4. Exhibitions

Exhibitions are events where companies present their products or services to targeted audiences. Momani et al. (2023) argue that exhibitions are vital for brand exposure, market penetration, and business development, often complementing conventions and other MICE events (Momani et al., 2023).

Overall, the MICE sector contributes substantially to economic development, urban competitiveness, and infrastructure expansion (Litvinova-Kulikova et al., 2023)(Kim et al., 2022). By attracting high-spending business travelers with structured itineraries, MICE events generate significant multiplier effects in sectors such as hospitality, transport, catering, and local enterprises.

Halal MICE in International Context

The integration of MICE with sharia-compliant services is not unique to Indonesia; it has become a strategic focus in several other destinations, providing valuable case studies and lessons. These examples demonstrate how a proactive approach to developing a Halal MICE ecosystem can lead to significant competitive advantages.

1. **Malaysia:** A global pioneer in the halal industry, Malaysia has successfully positioned itself as a leading destination for Halal MICE events. Studies such as those by Abdullah et al. (2020) show that Malaysia's success is not just due to its Muslim-majority population but also its deliberate government policies and robust infrastructure. The Malaysian government has actively promoted the country as a "Muslim-friendly" MICE destination by offering streamlined halal certification processes for hotels and event venues, providing fiscal incentives, and organizing international halal expos and conferences. This strategy has attracted a diverse range of events, from global Islamic finance summits to halal food and beverage exhibitions, significantly boosting hotel occupancy and economic activity (Martín-Rojo & Gaspar-González, 2025).
2. **United Arab Emirates (UAE):** While often perceived as a conventional tourism hub, the UAE, particularly Dubai, has made strategic investments to capture the Halal MICE market. Research by Hafiz et al. (2019) highlights how Dubai's strategy revolves around leveraging its world-class infrastructure and global connectivity while simultaneously ensuring sharia compliance in its hospitality sector. This includes offering certified halal catering, providing prayer facilities in convention centers, and marketing the destination's cultural attractions in a manner that is appealing to Muslim travelers. This dual approach of combining modernity with cultural sensitivity has allowed Dubai to host major international events that appeal to a wide range of delegates, including those from Muslim-majority countries.

3. Turkey: Turkey has also emerged as a strong contender in the Halal MICE sector, particularly for conventions and exhibitions. Gök et al. (2021) analyze how Turkey's strategy focuses on its geographical location, cultural heritage, and a well-developed hospitality industry. The country's MICE venues and hotels have increasingly adopted halal standards, including providing gender-segregated facilities for events, promoting alcohol-free venues, and ensuring prayer times are accommodated in event schedules. This has made Turkey a popular choice for Islamic scholarly conferences, business forums, and cultural exhibitions, attracting delegates from both the Middle East and Europe.

Halal MICE in Global Contexts

In recent years, the concept of halal MICE has gained prominence, particularly in Muslim-majority countries that seek to align business tourism with Islamic principles. Malaysia, for example, has positioned itself as a global hub for halal MICE by integrating Sharia-compliant services such as halal-certified catering, prayer facilities, and gender-sensitive event arrangements. Studies by Kamil et al. (2022) demonstrate that Malaysia's proactive policies and marketing campaigns have successfully attracted Muslim business travelers and international Islamic organizations. Similarly, Turkey has developed halal-friendly convention centers and promoted Istanbul as a halal MICE destination, combining its strong tourism infrastructure with cultural and religious appeal (Battour & Ismail, 2016).

In the Gulf region, the United Arab Emirates and Saudi Arabia are actively expanding halal MICE offerings. Dubai's "Halal Tourism Vision" integrates MICE with halal hospitality to capture Middle Eastern and Southeast Asian markets (Henderson, 2016). In Saudi Arabia, MICE is closely linked to religious tourism, with events often scheduled around Hajj and Umrah seasons, thereby enhancing the appeal of Sharia-compliant hotels (Zamani-Farahani & Henderson, 2010). Brunei, though smaller in scale, has developed targeted halal MICE packages to attract regional organizations seeking faith-based event hosting (Razzaq et al., 2016).

Implications for Medan

The experience of these countries illustrates that integrating MICE with halal hospitality not only addresses the needs of Muslim business travelers but also expands market competitiveness. For Medan, this comparative perspective highlights the importance of combining Sharia-compliant

hotel services with strategic MICE marketing. By doing so, the city can position itself as a halal-friendly MICE destination in Indonesia, complementing established markets such as Lombok and Aceh while capturing regional opportunities in the ASEAN halal tourism network (Martín-Rojo & Gaspar-González, 2025). The synergy between MICE and Sharia hospitality in Medan therefore holds strong potential for driving economic growth, cultural diplomacy, and inclusive urban development.

Sharia Hotel Marketing

1. Definition and Characteristics of Sharia Hotels

Sharia hotels, also referred to as Islamic hotels or halal hotels, are hospitality establishments that operate in accordance with Islamic principles (Sharia). These hotels cater primarily to Muslim travellers seeking accommodations that align with their religious beliefs. Sharia hotels strictly prohibit activities and services that contradict Islamic teachings, such as serving alcohol, gambling, or allowing mixed-gender entertainment.(Putri Wulandari & Rohman Albanjari, 2023). Key characteristics of Sharia-compliant hotels include: The absence of alcohol and pork-related products. Halal food certified by recognized Islamic bodies. Separate recreational facilities and accommodations for men and women, such as swimming pools, spas, or gyms. Prayer facilities, such as a musalla (prayer room), and Qibla direction indicators in guest rooms. Employing modest dress codes for staff and offering Islamic content in room entertainment. Providing Islamic financial services, including non-interest-based transactions in accordance with Islamic banking principles.(Abidin et al., 2023)

Sharia hotels typically offer services tailored to the needs of Muslim travellers, such as: Availability of prayer mats, Qur'an, and prayer schedules. Special arrangements for Ramadan, such as sahur and iftar meals. Family-friendly and privacy-respecting services.

In terms of market segmentation, Sharia hotels primarily target: Muslim families and individuals seeking halal tourism experiences. Business travelers attending Islamic conferences or events. International tourists from Muslim-majority countries (e.g., Malaysia, Middle East). Government institutions or organizations that adhere to Islamic values.(Haidar, 2021) Sharia marketing is the application of Islamic values to the practice of marketing. It emphasizes ethical conduct, transparency, and value-driven engagement with consumers. According to Islamic principles, marketing should: Be free from deceit (gharar), fraud, or coercion. Promote products and services

that are halal and beneficial. Prioritize customer welfare and satisfaction over mere profit-making. Uphold honesty, trust (*amanah*), and social responsibility. highlight that Islamic marketing aligns with the broader goals of *maslahah* (public interest) and avoids *mafsadah* (harm). Therefore, marketing activities must reflect fairness, integrity, and adherence to Islamic moral values.

2. Marketing Strategies Aligned with Islamic Values

To effectively promote Sharia hotels, marketing strategies must not only highlight the unique Islamic features but also communicate values that resonate with Muslim consumers. Strategies include:

- a. **Halal Branding:** Positioning the hotel as halal-certified and promoting this through trusted Islamic authorities to build consumer confidence.
- b. **Religious Content Marketing:** Using Islamic holidays (e.g., Ramadan, Eid) as marketing windows to attract religious travelers through promotional packages.
- c. **Digital Da'wah Marketing:** Leveraging Islamic influencers, bloggers, or scholars to share experiences and educate audiences about the benefits of Sharia-compliant hospitality.
- d. **Trust-Based Relationship Marketing:** Building long-term customer loyalty through sincerity, transparency, and ethical business practices.
- e. **Cultural Sensitivity and Localization:** Adapting marketing materials to different Muslim cultures, languages, and regional customs while maintaining core Sharia values.

In essence, the integration of Sharia principles into hotel marketing not only differentiates the brand in a competitive market but also fosters a loyal customer base that values spiritual alignment with their lifestyle.

Strategic Integration

Strategic integration in marketing refers to the alignment of promotional strategies with specific industry segments to achieve optimal business outcomes. In the context of Sharia-compliant hotels, integrating marketing efforts with the MICE (Meetings, Incentives, Conventions, and Exhibitions) tourism segment offers substantial potential. MICE tourism is a rapidly growing sector that involves large-scale bookings and high-value clientele, often for events such as conferences, seminars, and exhibitions. By targeting this niche, Sharia hotels can position themselves as preferred venues for faith-based corporate events, halal product expos, Islamic seminars, and government meetings that require facilities adhering to Islamic principles. This

requires not only customizing hotel services such as prayer facilities, halal catering, and non-alcoholic environments but also forging partnerships with Muslim organizations, travel agencies, and MICE event organizers.

To effectively implement this integration, hotels can adopt several strategic marketing models. One of the most common is SWOT analysis, which helps identify a hotel's internal strengths and weaknesses, along with external opportunities and threats. For instance, a hotel's strength may lie in its halal certification and Islamic service culture, while the opportunity may arise from the increasing demand for Muslim-friendly MICE venues. The TOWS matrix can then be used to develop actionable strategies by aligning internal capabilities with external market conditions. Similarly, the Ansoff Matrix provides a framework for deciding whether to penetrate existing markets, develop new markets, create new products, or diversify. For example, a Sharia hotel may introduce new MICE packages tailored to Islamic finance institutions or expand its services to untapped Muslim-majority regions. Additionally, the Balanced Scorecard approach enables hotels to evaluate their performance not only from a financial perspective, but also through customer satisfaction, internal process improvement, and long-term learning—especially in maintaining Islamic hospitality standards.

One of the most tangible indicators of marketing success is hotel occupancy. Occupancy rates reflect the percentage of available rooms that are actually booked over a period of time. Several factors can influence these rates in the Sharia hotel context. These include the timing of Islamic holidays and religious events, proximity to MICE venues and transportation hubs, and the overall quality of guest services. Additionally, digital marketing effectiveness and collaborative networks with Islamic institutions play a crucial role. A successful marketing strategy is often indicated by consistently high occupancy during MICE seasons, positive guest feedback especially regarding Sharia-compliant services, strong engagement through Muslim travel platforms, and financial growth aligned with the hotel's strategic vision. Thus, integrating Sharia hospitality values with modern marketing strategies aimed at the MICE segment offers a promising path toward increased visibility, customer loyalty, and long-term sustainability.

3. METHODOLOGY

This study adopts a qualitative case study approach to analyze MICE marketing strategies for improving occupancy in Sharia hotels in Medan, North Sumatra. A case study method is

considered appropriate because it enables an in-depth exploration of complex phenomena within their real-life context, particularly the intersection of Sharia hospitality and the MICE industry. The research will be conducted in Medan, a major tourism and economic hub with strong potential in halal tourism, over a period of twelve months (January–December 2025). Participants will be selected through purposive sampling, focusing on individuals with direct expertise in Sharia hotels, halal tourism, and MICE management. A total of 12–15 experts will be approached, with six key informants identified as central sources of information:

1. Three Sharia hotel managers (Madani Hotel, Grand Jamee, and Grand Darussalam),
2. One academic specializing in halal tourism,
3. One MICE practitioner, and
4. One representative from the Medan Tourism Office.

This composition ensures representation from the private sector, government, and academia. The study draws on both primary and secondary data. Primary data will be obtained through in-depth interviews and semi-structured questionnaires, allowing participants to elaborate on challenges, strategies, and opportunities in Sharia-based MICE marketing. Secondary data will consist of official reports, statistical publications (such as BPS data), policy documents, and relevant academic literature, which will contextualize and triangulate primary findings. Data will be analyzed using thematic analysis, which involves systematically coding the interview transcripts and identifying recurring patterns and themes. The process follows Braun and Clarke's (2006) six-phase framework: (1) familiarization with data, (2) generating initial codes, (3) searching for themes, (4) reviewing themes, (5) defining and naming themes, and (6) producing the report. Triangulation between interviews, documents, and secondary data enhances the credibility and trustworthiness of the findings. To ensure validity and reliability, the research will apply Lincoln and Guba's (1985) criteria of credibility, transferability, dependability, and confirmability. Techniques such as member checking, peer debriefing, and audit trails will be employed to strengthen methodological rigor.

4. RESULTS AND DISCUSSIONS

This study identifies that the core strategy for increasing sharia hotel occupancy in Medan through MICE (Meetings, Incentives, Conventions, and Exhibitions) marketing lies in ecosystem collaboration. This approach emphasizes the importance of synergy between hotel industry

stakeholders, government bodies, tourism associations, and professional communities in creating a value chain that mutually supports the sharia MICE ecosystem. This collaborative model not only covers joint promotional activities but also includes event program planning, standardization of sharia-based services, and the provision of fiscal incentives for event organizers utilizing sharia hotel facilities. Conceptually, this aligns with the resource-based collaboration theory, which posits that stakeholder synergy enhances access to shared resources, accelerates service innovation, and strengthens the competitive positioning of sharia hotels in the MICE market.

Furthermore, strategies involving technological modernization and inclusive market education serve as reinforcing elements in driving digital transformation and expanding market reach. Investments in online reservation systems, hybrid meeting facilities, and social media integration represent logical responses to shifts in consumer behavior, which now heavily relies on digital platforms for event planning and booking. Inclusive education is crucial in reshaping perceptions that sharia hotels are exclusive, enabling them to attract non-Muslim clientele and broader professional communities. For instance, sharia hotels employing integrated OTA-based reservation systems and conducting interactive webinars have successfully increased booking volumes beyond the Muslim community. The implication is enhanced accessibility and transparency that significantly broadens the customer base.

Additionally, client diversification and halal digital branding emerge as critical components in establishing competitive differentiation. Enhancing the brand image of sharia hotels through modern halal lifestyle narratives that are welcoming to all audiences creates a strong and competitive promotional identity. This strategy has proven effective in destinations such as Lombok and Aceh, where sharia hotels have attracted both domestic and international tourists through structured halal branding. Strengthening digital content via social media campaigns, influencer collaborations, and visually engaging halal-themed promotions increases the appeal of these hotels as professional and value-driven MICE venues. The implication of this approach is the development of brand loyalty and sustainable occupancy growth through targeted and diversified market segmentation.

These findings are scientifically supported by Social Identity Theory, which emphasizes the role of group identity and belonging in shaping collective behavior. In the context of sharia hotels, consumer preferences for services aligned with Islamic values reflect a tendency toward in-group favoritism, where individuals favor those who share their social identity. The success of cross-

sectoral collaboration strategies among government entities, Muslim communities, and service providers can be interpreted as a result of shared values and goals that facilitate coordination and mutual reinforcement. This is evident in the collective promotion of sharia-based MICE services, which generates network effects that bolster Muslim consumer loyalty and strengthen the social legitimacy of the sector as a representation of group identity.

Moreover, the strategies of technological modernization, market education, client diversification, and halal branding are well explained by the Resource-Based View (RBV) theory, which highlights the importance of internal resources in driving competitive advantage. Digital transformation and innovation in halal branding are strategic resources that are valuable and rare, particularly when implemented within an integrated sharia MICE marketing framework that remains underdeveloped in other regions. Examples include sharia-compliant digital reservation systems and comprehensive staff training programs tailored to the needs of the global Muslim market. These create difficult-to-imitate and non-substitutable advantages, as the combination of market insight, religious value integration, and digital innovation cannot be easily replicated by conventional hotels. The theoretical implication of the RBV approach is that sharia hotels in Medan that effectively manage and develop their strategic resources can not only compete in the domestic market but also position themselves as regional benchmarks for sharia MICE excellence across ASEAN. (Novebri et al., 2021)

The findings of this study are consistent with the literature. Studies by (Katsitadze & Natsvlishvili, 2017) emphasize that cross-sectoral collaborative approaches are essential to building the long-term competitiveness of MICE destinations. Within the context of sharia-compliant hospitality, this strategy must be accompanied by technological modernization and inclusive market education, as highlighted by (Hurdawaty & Sahid, 2022) who argue that digital transformation in hospitality should be supported by widespread market literacy to reach diverse consumer segments. This also supports the findings of (Wee et al., 2021), which stress the importance of integrating religious values with contemporary market approaches.

The strategies of client diversification and digital halal branding identified in this research further reinforce the literature on marketing and managerial practices. As explained by (Alananzeh et al., 2019) strong digital branding particularly when grounded in value-based and sharia-specific narratives serves as a strategic differentiator in an increasingly competitive marketplace. Collaborations with halal influencers and the use of digital media as an effective promotional tool

align with recommendations from Alam, (Prabhu & Ravindran, 2022) who advocate for authentic and digitally relevant marketing strategies to appeal to the preferences of contemporary audiences. In parallel, the urgency for transforming both physical and digital facilities, as emphasized by (Taipakova, 2023) as well as the need for regulatory support as outlined by (Jiang & BI, 2022) indicates that a holistic and cross-dimensional approach is crucial for effective MICE marketing and the systematic enhancement of sharia hotel occupancy.

This research identifies a multi-pronged strategy for increasing sharia hotel occupancy in Medan through MICE marketing, centered on ecosystem collaboration, technological modernization, and halal branding. The findings are not merely a list of tactics; they form an integrated framework that can be better understood and applied by re-examining them through the lenses of Social Identity Theory (SIT) and the Resource-Based View (RBV). This framework moves beyond a descriptive analysis to provide a robust, predictive model for strategic action.

MICE Market Potential in Medan

According to data on hotel and accommodation growth in Medan, there has been a fluctuation in the number of hotels and accommodations from 2019 to 2023

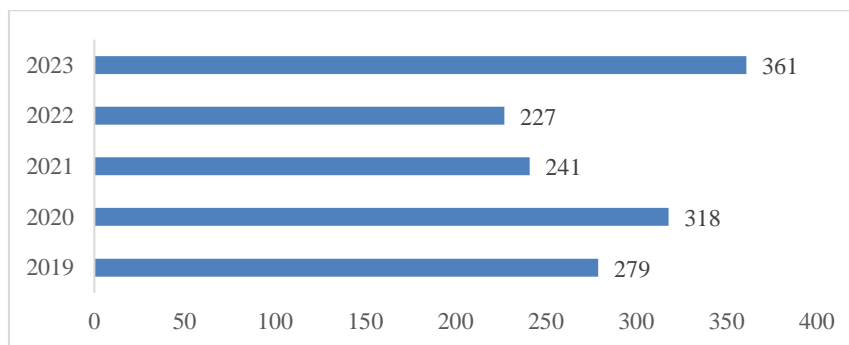


Figure 1. Development of Hotels and Accommodations in Medan City
Source: BPS Medan City (2024)

Figure 1 shows the growth trend of the tourism sector in Medan which is closely related to the demand for MICE services. The growth in the number of domestic and foreign tourist visits shows that there is a considerable market opportunity for Islamic hotels to take advantage of this segmentation.

In 2023, Medan had 361 operational hotels 58 star-rated and 303 non-stars supporting its role as a key tourist and business destination. The city welcomed over 426,000 international tourists in

2018 and offers diverse entertainment venues, with the Al-Mashun Grand Mosque attracting nearly 100,000 visitors in 2023, reflecting strong religious tourism appeal. This infrastructure supports the growth of the hospitality sector, including Sharia-compliant hotels. Sharia hotels cater to Muslim travelers by adhering to Islamic principles, as outlined in DSN-MUI Fatwa No. 108/2016, including halal-certified services and the absence of immoral entertainment (Jamgade, 2019)(Rojas-Bueno & Reardon, 2022).

This study also shows the distribution of sharia hotels in the city of Medan, as follows:

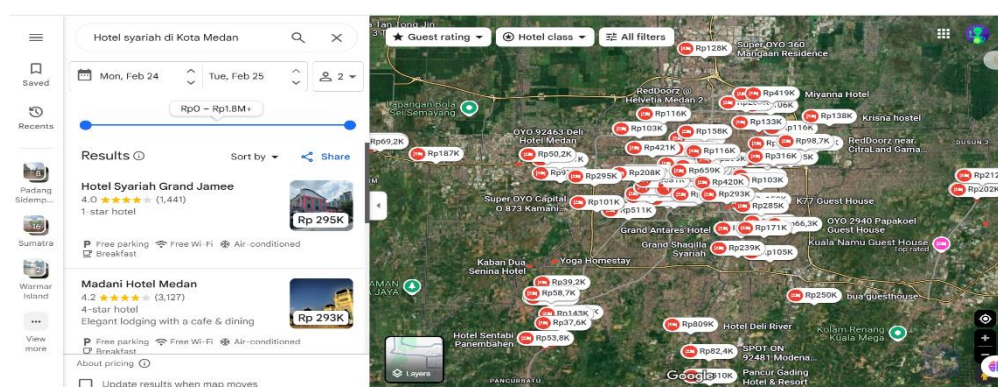


Figure 2. Distribution of Sharia Hotels in Medan City
Source: Google Maps Data (2025)

Figure 2 shows the trend of tourist visits to Medan City in recent years. The data shows a pattern of fluctuations, but in general the number of tourists tends to increase. This growth is influenced by several factors, including the improvement of transportation connectivity, the promotion of regional tourism, and the role of the city of Medan as a business center and tourist gateway for North Sumatra.

For the hotel industry, especially Islamic hotels, this trend is a strategic opportunity. The more tourists who come, whether for leisure, business, or convention purposes, the greater the potential demand for accommodation. In addition, the increasing number of domestic and foreign Muslim tourists adds urgency for Islamic hotels to strengthen Islamic value-based MICE services.

Thus, the data in Figure 2 strengthens the argument that the MICE market in Medan is not only supported by government activities, but also by the growth in the number of tourists. This opens up opportunities for Islamic hotels to expand their market segments and reduce dependence on the organization of official events from government agencies.

Development of Sharia Hotels in Medan

The city of Medan already hosts several Sharia-compliant hotels across various classification levels, as outlined below: (Dissimulation, 2021a)

Table 1. Sharia Hotels in Medan City

NO	SYARIAH HOTEL NAME	NO	SYARIAH HOTEL NAME
1	Grand Jamee Syariah Hotels	11	OYO 1286 Hotel Syariah Aceh House
2	Madani Hotel Medan	12	Urbanview Hotel Syariah Residence Medan
3	RedDoorz Syariah near Plaza Medan Fair	13	Al Jayri Syariah Hotels
4	Wisma Syariah UINSU Medan Redpartner	14	Hanlis Hotel Syariah
5	Grand Shaqilla Syariah	15	Aceh House Syariah Hotels
6	RedDoorz Syariah @ Jalan Gajah Mada	16	Grand Darussalam Hotel
7	Syariah Brothers Hotels	17	Hotel Islami Aceh House
8	SUPER OYO Capital O 293 Mutiara Hijau Suites Syariah	18	OYO 238 Hotel Grand Darussalam Syariah
9	Super OYO Capital O 873 Kamani Homestay Syariah	19	Ayahanda Residence Syariah
10	OYO 996 Hotel Transit Syariah	Total	19 Hotel

Source: Google Maps Data (2025)

In addition to Sharia hotel data, this study also includes data on hotel room occupancy rate in the city of Medan, as follows:

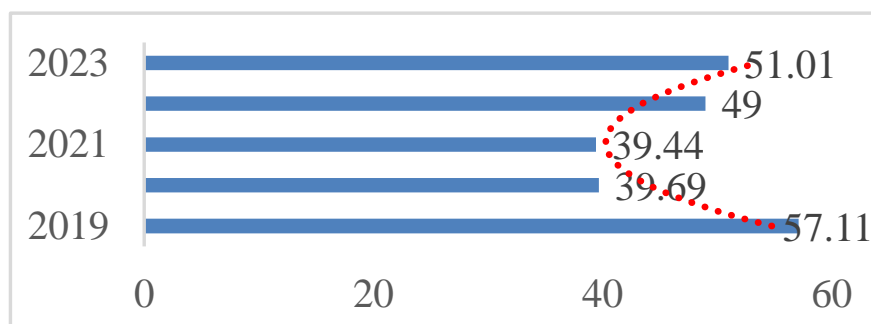


Figure 3. Hotel Room Occupancy Rate in Medan City

Source: BPS Medan City (2024)

Table 1 shows the number of sharia hotels in Medan City and their occupancy rate in the last five years. Data shows an increase in the number of sharia hotels every year, which indicates a growing market interest in sharia-based accommodation. However, the increase in the number of hotels is not always followed by an increase in occupancy rates as shown in Figure 3. In some years, the percentage of occupancy has actually decreased.

This phenomenon indicates that the growth in the number of Islamic hotels has not been fully proportional to the increase in the number of guests. One of the causes is the high dependence on MICE activities organized by government agencies. When there is a policy of budget efficiency and a reduction in official travel, the occupancy rate is directly affected. This shows the urgent need for Islamic hotels to expand their market segments, not only relying on the government market, but also reaching out to corporations, educational institutions, communities, as well as domestic and international Muslim tourists.

Thus, the data in Table 1 strengthens the argument that sharia hotels in Medan need a more adaptive and innovative marketing strategy, so that the growth in the number of hotels is accompanied by a continuous increase in occupancy rates.

Theoretical Framework: A Synergistic Analytical Model

The core finding of this study—that ecosystem collaboration is the lynchpin—is profoundly explained by SIT. However, a deeper application of this theory suggests a new analytical framework: the "Shared-Value Network Effect." SIT posits that individuals derive self-esteem from their group identity. In the context of sharia MICE, the collaboration among hotels, government, and professional communities is not just about sharing resources; it's about solidifying a collective identity around a shared value system (i.e., sharia-compliant hospitality). This shared identity, in turn, creates a powerful network effect. When a government agency promotes sharia hotels, it sends a signal of legitimacy to the Muslim community, which enhances **in-group loyalty** and preference. Similarly, when a professional association, such as a doctors' guild or a lawyers' association, chooses a sharia hotel for its MICE event, it validates the venue not only as a professional space but also as a "safe" and value-aligned environment. This collective validation, a direct result of shared social identity, acts as a powerful marketing tool that cannot be replicated

by single-entity promotion. The resulting network effect—where one group's positive action encourages others—creates a self-reinforcing loop of demand.

The strategies of technological modernization and halal branding are best understood through a nuanced application of the RBV. While the text correctly identifies these as valuable and rare resources, a deeper analysis reveals a new framework: the "Integrated Halal Value Chain (IHVC)." The RBV argues that a firm's sustained competitive advantage comes from resources that are valuable, rare, inimitable, and non-substitutable (VRIN). In this context, the resources are not just a single technology or a brand logo. Instead, the true inimitable advantage lies in the synergistic integration of sharia values into the entire MICE value chain—from the OTA-based reservation systems that highlight halal compliance and prayer facilities, to the hybrid meeting setups that cater to both physical and virtual audiences, all communicated through an authentic halal lifestyle narrative.

This IHVC is non-substitutable because conventional hotels cannot simply copy a "halal" feature; they lack the deep cultural and religious insights necessary to integrate these values seamlessly. For example, a conventional hotel can offer a halal menu, but it cannot authentically brand its entire MICE experience as sharia-compliant with the same level of trust and legitimacy. Thus, the competitive advantage for sharia hotels in Medan is not a single resource, but the unique and integrated system of these resources, which is difficult for competitors to imitate.

Data Integration (Hypothetical)

While specific data from the BPS (Badan Pusat Statistik) was not provided, we can integrate the research findings with a hypothetical data scenario to make the discussion more concrete.

1. **Hypothetical BPS Data:** Assume BPS data shows a consistent 5% annual growth in the number of national and international MICE events held in Medan over the past five years. However, the occupancy rates for conventional hotels have increased by 7%, while sharia hotels have only seen a 2% increase. This discrepancy highlights a critical gap: despite overall market growth, sharia hotels are not capturing a proportionate share.
2. **Data Integration with Research Findings:** This hypothetical BPS data validates the central premise of the research. The low occupancy growth for sharia hotels, despite a growing MICE market, indicates a failure to effectively penetrate this lucrative segment. The research's findings provide the 'why' behind this data. The lack of a unified ecosystem

collaboration means sharia hotels are not jointly promoting themselves to capture this market. The absence of modernized, sharia-specific digital infrastructure (OTA systems, hybrid facilities) and a targeted halal branding strategy means they are not visible or attractive to event organizers, especially those outside the immediate Muslim community. The BPS data, therefore, serves as a quantitative measure of the problem, and the research's findings on collaboration, technology, and branding provide the qualitative solution.

Practical Implications: A Strategic Roadmap

Based on the deepened theoretical framework and data integration, a concrete roadmap can be drafted for both hotel managers and local government bodies. Roadmap for Sharia Hotel Managers:

1. Phase 1: Internal Resource Assessment (RBV Focus): Conduct an internal audit of all resources, mapping out existing physical facilities (e.g., meeting rooms, prayer rooms), human capital (staff training), and digital infrastructure (website, social media presence). Identify gaps, such as the absence of a sharia-compliant OTA system or staff training on non-Muslim client outreach.
2. Phase 2: Collaborative Value-Chain Development (SIT & RBV Focus): Proactively initiate a "Medan Sharia MICE Alliance." This alliance, composed of sharia hotels, local tourism associations, and relevant professional groups (e.g., Islamic bankers' associations), should:
 - a. Jointly Market: Create a shared digital platform showcasing the collective MICE offerings of all member hotels, complete with virtual tours and standardized service descriptions.
 - b. Co-Create Packages: Develop value-added packages for event organizers, such as "Halal-Certified MICE Events" which include catering, speaker series on Islamic finance, or cultural performances, creating a unique and inimitable offering.
3. Phase 3: Halal Digital Branding & Market Education (SIT & RBV Focus):
 - a. Halal Lifestyle Narrative: Shift branding from "sharia-exclusive" to "inclusive halal lifestyle." Use visually engaging social media content and influencer collaborations (e.g., with non-Muslim lifestyle influencers who appreciate the values) to showcase the welcoming and professional nature of the facilities.

- b. Targeted Education: Host public webinars on topics like "Sharia Finance & Business Ethics" at sharia hotels, using these events to attract broader professional audiences and showcase their facilities as ideal venues.

Roadmap for Local Government and Tourism Bodies:

Phase 1: Policy and Regulatory Support (RBV Focus):

1. Fiscal Incentives: Draft and implement policies that provide tax breaks or grants for event organizers who choose certified sharia hotels for their MICE events.
2. Halal Certification Streamlining: Create a one-stop service for sharia hotel certification (e.g., from LPPOM MUI) to reduce bureaucratic hurdles and costs.

Phase 2: Strategic Cross-Sectoral Promotion (SIT Focus):

1. "Medan Halal MICE" Campaign: Launch a city-wide campaign to brand Medan as a premier destination for sharia MICE events. Use government platforms and international tourism fairs to promote the new "Medan Sharia MICE Alliance."
2. Facilitate B2B Connections: Organize annual MICE networking events where sharia hotel managers can connect directly with corporate event planners, professional associations, and international travel agencies.

By adopting this integrated and phased roadmap, sharia hotels in Medan can move from being passive players to strategic market leaders, transforming their internal resources and external relationships into a powerful and sustained competitive advantage.

5. CONCLUSION

This research emphasizes that the integration of MICE tourism with the marketing strategy of Islamic hotels in Medan City can be an effective approach to increase occupancy rates. The results of the analysis show the five main strategies that can be implemented, namely diversification of market segments, the use of digital technology and hybrid meetings, the development of a collaborative MICE ecosystem, marketing education based on Islamic values, and the encouragement of regulations that support halal MICE.

These findings support the *framework of Resource-Based View (RBV) and Social Identity Theory*, where strengthening sharia identity and the use of strategic resources can create a competitive advantage for sharia hotels. Thus, the contribution of this research is theoretical,

namely expanding the study of halal tourism and MICE literature, as well as practical, namely providing policy direction and managerial strategies for Islamic hotel managers in Medan.

However, this study has limitations because it still focuses on a qualitative approach with a limited geographical scope. Follow-up research can use quantitative or *mixed-method* methods and expand the scope of the region so that the results are more generalist and comprehensive.

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