

Online Consumer Review and Its Roles in Malaysian Umrah Industry: Issues and Challenges

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Abstract---The Umrah industry is one of Malaysia's most profitable industries. Despite its vast market, some identified challenges may also limit the industry's sales performance. It is therefore crucial to understand how Umrah's online consumer review (OCR) would influence the Malaysian Umrah industry, particularly in terms of sales performance. The objective of the current study is to review the OCR in relation to the challenges of the Umrah industry and issues related to the sustainability of business performance. This study proposes that the Umrah industry incorporate OCR in its marketing strategy. The adoption of OCR in the Umrah industry will lead to better future sales performance, which will induce a positive contribution to Malaysian economic growth. This paper concludes with a few conclusions and recommendations.

Keywords---Online Consumer Review, Online Review, User-Generated Content, Umrah Industry, Electronic Word of Mouth (eWOM)

I. INTRODUCTION OF UMRAH INDUSTRY IN MALAYSIA

Umrah is one of Malaysia's most valuable service industries. The value according to the Ministry of Tourism, Art & Culture is more than two billion ringgit (2018) [23]. Indeed, more than one million Malaysians carried out Umrah activities between 2009 and 2018 [24]. The umrah industry has contributed a recurring stream of revenue to many parties, such as airlines companies, tour operators and brokers [2, 20]. Saudi Arabia, which was the country responsible for the work of Umrah and Hajj, aimed at quadrupling the number of pilgrims to 30 million by 2030 [21]. It shows that the Umrah industry is one of the most profitable and valuable industries, particularly in Malaysia. The operation of the Umrah industry in Malaysia is controlled by the Department of Wakaf, Zakat & Hajj (JAWHAR) from 2004 to the present [9, 19]. The Ministry of Tourism, Arts & Culture (MOTAC) [22], also oversees the Umrah industry, since its activities relate to visa [3, 11]. The following table 1.0 presents other official government agencies in Malaysia Umrah industry.

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Table 1: Agencies Involved in Regulating Malaysia Umrah Industry

<i>No</i>	<i>Agencies Involved</i>	<i>Jurisdiction</i>
1.	Ministry of Tourism, Arts & Culture (MOTAC)	Travel Industry Act 1992 (Act 482) and its Governance
2.	Tribunal for Consumer Claims Malaysia	Entity established under Section 85, Part XII of the Consumer Protection Act 1999
3.	Royal Malaysian Police	Crimes in the Penal Code and the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (Act 613)
4.	Enforcement Division, Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK)	Trade Descriptions Act 1972 (Act 87)
5.	Companies Commission of Malaysia (SSM)	Companies Act 1965 Companies Commission of Malaysia Act 2001 (Act 614)

Source: Retrieved from JAWHAR (2019)

There are 84 travel agencies in Malaysia with Umrah Special License (LKU) classified as Muassasah by the Government of Saudi Arabia and 203 companies with LKU without Muassasah status[25]. The growth of Umrah operators starts in 2017 when the government of Malaysia took the initiative to facilitate the growth of the Umrah industry by launching the LKU programme open to other potential travel agencies[25]. It shows that in Malaysia the Umrah industry is substantial and important and that many competent authorised operators need to operate in order to comply with this demand.

In fact, the incorporation of OCR in the Umrah industry will increase the performance of the industry (i.e. sales / revenue) The question is how? In fact, OCR is an electronic word of mouth (eWOM) that most consumers can rely on before making a purchase decision[4, 13, 26]. Previous studies have shown that OCR can be trusted by consumers as it is generated by consumers and not by company marketers[17]. Consumers wishing to perform Umrah may review the OCR of Umrah operators before making a payment decision. This would reduce the risk of being victimised by an irresponsible party and prevent potential losses. As a result, consumer confidence in Umrah operators will also increase. Finally, the sales performance of Umrah operators and the industry as a whole will be increased. Thus, the full implementation of the OCR will make a significant contribution to the Malaysian Umrah industry.

The remainder of this paper is arranged accordingly. First of all this paper discusses the introduction of the Umrah sector and then presents this paper on the online consumer review (OCR), then this paper will cover the assessment of the challenges in the Umrah industry. The reviews cover the issue of sales performance and fraud cases in the Umrah industry. Finally, this paper sets out some possible conclusions and recommendations.

II. INTRODUCTION OF OCR

Numerous previous studies have pronounced OCR as an “electronic word of mouth(eWOM)” [28,31,30].For example, Park & Nicolau (2015) defined the OCR as a form of Ewom associated with a decision making process when purchasing a product on the online or offline market. Kim et. al (2015) stated that OCR is a popular form of eWOM used by customers to share their information about products/services. Xie et. al (2014) stated that the previous effect of traditional WOM has been further improved in the form of eWOM due to the ease of access among internet users through social media, websites, online communities etc. Mafe, Chatzipanagiotou & Perez (2018) [18] have defined that OCR as peer-generated evaluations published on third-party websites (e.g. Google Review). Mafe et al (2018) further explained that OCR is classified as an eWOM in the category asynchronous, “one-to-many” communication, which is the most crucial and influential form of eWOM. Accordingly, the above studies have shown that OCR is a form of eWOM that enhances the effect of traditional WOM.

A. Important of OCR

OCR is vital in today’s worlds as the online purchase trend is growing rapidly. Langan et al (2017) stated that ninety two percent (92%) of global consumers trust earned media, such as the OCR recommendation, above all other types of advertising, which the use of OCR will reduce the consumer’s sense of uncertainty before purchasing. Zhu & Zhang (2010) [35] stated that one of survey conducted by a research company (i.e. comScore) found that twenty-four percent (24%) of internet users would refer OCR prior to making a payment for an offline service. Bright Local (2017) stated that ninety seven percent (97%) of consumers will refer to local business OCR for their purchase, with twelve percent (12%) even reading OCR on a daily basis. Based on Smith (2013), sixty percent (60%) of consumers will consider OCR to be important for the research of products or services. One of Mintel’s surveys in 2013 found that around thirty-eight percent (38%) of UK travellers will use OCR websites for their holiday planning purposes, and eighty-six percent (86%) of UK travellers reported that OCR is a convenience source of information for hotel bookings [28]. This shows that OCR is of significance for consumers today before making a purchase decision. As well as businesses, this must be taken into account (e.g. implementation of OCR) in their marketing strategy to enhance their business performance.

B. OCR and Sales Performance

A number of previous OCR studies have investigated the impact of OCR on sales performance in particular. Studies have been conducted in a variety of industries, mainly in the hospitality sector (e.g. hotel, restaurant) and the e-commerce sector (e.g. Amazon). Overall, the results are positive and have a significant influence on sales performance. The literature in this research stream is presented in the following Table 2.0.

Table 2: Literature on OCR and Sales Performance

No	Authors	Title	Sector/Industries	Findings
1	[5]	The Impact of Online Recommendation and Consumer Feedback on Sales	E-Commerce (Amazon.Com, Books)	OCR (e.g. recommendation) positively affects books

				sales
2	[6]	The Effect of Word of Mouth on Sales: Online Book Reviews	E-Commerce (Amazon.com, Books)	OCR (e.g. valence, volume, depth) positively affects books sales
3	[7]	Exploring The Value Of Online Product Reviews In Forecasting Sales: The Case Of Motion Pictures	Film Industry (Movie)	OCR (e.g. valence, volume, variance) positively affects box office sales
4	[14]	Do Online Reviews Affect Product Sales? The role of Reviewer Characteristics and Temporal Effects	E-Commerce (Amazon.com, Books, DVD, Video)	OCR (e.g. positive review, negative review) positively affects sales
5	[10]	Examining the Relationship between Reviews and Sales: The Role of Reviewer Identity Disclosure in Electronic Markets	E-commerce (Amazon.com, Books)	OCR (e.g. reviewer identity disclosure, volume) positively affects books sales
6	[32]	The Impact of Online User Reviews on Hotel Room Sales	Hospitality (Hotel)	OCR (e.g. positive review) positively affect hotel sales performance (i.e: ADR). While, variance negatively affect sales.
7	[35]	Impact of Online Consumer Reviews on Sales : The Moderating Role of Product and Consumer	Entertainment (Video Games)	OCR (e.g. volume, overall rating, variance) positively impact sales but rely upon product and consumer characteristics
8	[27]	The Influence of TripAdvisor Consumer-Generated Travel Reviews on Hotel Performance	Hospitality (Hotel)	OCR (e.g. volume, overall rating, recommendation) positively impact hotel sales performance
9	[34]	The Impact of Online User Reviews on Cameras Sales	E-Commerce (Amazon.com, Cameras)	OCR (e.g. volume, overall rating) positively impact cameras sales
10	[31]	The Business Value of Online Consumer Reviews and	Hospitality (Hotel)	OCR (e.g. volume, overall rating, variation, attributes

		ManagementResponse to HotelPerformance		rating) positively impact hotel sales performance
11	[15]	Impact of Online Customer Reviews and Incentives on the Product Sales at The Online Retail Store : An Empirical Study on Video Game Titles at Amazon . com	E-Commerce (Amazon.com, Video Games)	OCR (e.g. volume, overall rating) positively impact product sales at the online retail store (i.e. Amazon.com)
12	[16]	The Effectiveness of ManagingSocialMedia on HotelPerformance	Hospitality (Hotel)	OCR (e.g. variance, overall rating, volume) positively impact hotel sales performance
13	[12]	Impact of OnlineConsumerReviews on ProductSales: Quantitative Analysis of the SourceEffect	E-Commerce (Korea Online Bookseller, Books)	OCR (e.g. review source, volume, review quality, depth, positive review) positively impact product sales. While negative review negatively decrease product sales.
14	Hyrynsalmi et. al (2015)	Busting Myths of Electronic Word of Mouth: The Relationship between Customer Ratings and the Sales of Mobile Applications	Information Technology (Mobile Apps: Google Play)	OCR (e.g. volume, valence) positively impact mobile application sales.

Thus, the findings in Table 2.0 show that OCR can also be adopted in other hospitality sectors, such as the Umrah industry. Previous study also proposed future research to study OCR in other industry of hospitality sector. For example, Kim, Lim & Brymer (2015) who studied the hotel industry, suggested a future study to validate their findings in other hospitality sectors. A study could therefore be a great contribution to knowledge in this Umrah industry. The following sub-section discusses the problem and challenge in the Umrah industry.

III. UMRAH ONLINE CONSUMER REVIEW: ISSUE AND CHALLENGES

Researchers recognised several issues and challenges in the Umrah industry in this paper. The issues and challenges are as follows:

A. Lack of Awareness on OCR

Based on the knowledge and observation of researchers in the online environment, only a few Umrah operators have implemented OCR as their marketing strategy. This may be due to the fact that the Umrah operators have not been aware of and have realised the potential of OCR to influence their business performance in the short and long term. In addition, previous studies of OCR showed that they had a significant positive effect on business performance and in particular on sales/revenue, as shown in early Table 2.0.

Previous studies in the global hospitality industry, such as travel companies, restaurants and hotels, have already been used by OCR to improve their performance. The same goes for the e-commerce industry, such as Amazon.com, Bn.com, Dangdang.com and others. Their OCR system is truly advanced and comprehensive, which is regularly updated to provide great platforms for consumers and customers to evaluate their product/service performance. Malaysian Umrah operators are nevertheless left behind to pursue this business strategy.

Indeed, for Malaysian Umrah consumers/customers who are interested in evaluating the services/products provided by Umrah operators, they are currently looking for other third-party review platforms, such as Facebook and Google, to publish their reviews. The disadvantage of these platforms is that the owner or developer of these platforms has always changed their review features over time. They control the items or features of the OCR on the platforms. This will therefore not really affect the performance of Umrah's business. In fact, Umrah operators can build their own review platforms on the basis of previous OCR studies (i.e. reference on OCR features: star rating, content review and reviewer attributes). There are many factors in the OCR that need to be assessed in order to build large review platforms that ultimately have a positive impact.

The above-mentioned problem therefore shows that Umrah operators have failed to implement the OCR in practice as a representative of Umrah industry, because they do not realise their potential to improve Umrah's performance over time.

B. Lack of Online Marketing Integration

The lack of online marketing integration into marketing strategy among Umrah operators is another important issue in the Umrah industry that needs to be addressed. In fact the trend in today's world is more online communication and online transaction. Most people communicate online (e.g. social media) and pay for their bills on the Internet particularly by young people. The integration of offline and online marketing (e.g. social marketing) is therefore a must in the company in order to capture each segment of the market.

Researchers in this study have worked extensively on observing the official website and social media of Umrah operators (e.g. Facebook). Most Umrah operators have their own Facebook for business, but most have fewer followers and do not actually post on the right things (e.g. positive customer reviews) for business engagement. Certain of them do not even have Facebook and the official website has not been updated over time. It thus reveals that online marketing by Umrah operators is not really applied and still linked to traditional marketing. Indeed, many global businesses have begun to incorporate online marketing (social media) as their business strategy[8]. In their study, Deepa & Deshmukh (2013) stated that 40% of Fortune 500 companies registered accounts on social media

sites like Facebook, Twitter and You Tube indicating the importance of online marketing integration in business. Therefore, reinforce the relevance of online marketing in today's business strategy.

Researchers have acknowledged that the Umrah industry has been operating for many years. The commonly traditional marketing strategy implemented by Umrah operators is like opening up a new representative in each country in Malaysia. This is important to seize the local market and certain market segments such as the generation X, but not for future generations such as the generation Y and Z. To sustain the business, businesses need to follow the trend.

IV. CONCLUSION AND RECOMMENDATION

Based on a review of the issues and challenges facing the Umrah industry, this paper proposes a number of recommendations. Firstly, the Umrah industry, through its responsible body (e.g. JAWHAR), needs to make full use of the company's internal resources, specifically OCR, in order to improve future sales performance for the firm and the industry. The OCR platform can be set up on their official website or social media. Every licensed Umrah travel agency also needs a website or social media and encourages customers / consumers to review their product or service over time. Rather than relying on a platform for third parties such as Google Review and Facebook Review. This notion is inspired by one of the most influenced theory in strategic planning: Resource-Based View (RBV) theory.

RBV theory is based on a managerial framework implemented through the use of internal firm resources to achieve the competitive advantage of the firm. It was developed in the 1980s and 1990s, following extensive publications by Wernerfelt (1984) [33], Prahalad& Hamel (1990) [29], Barney (1991) [1] and others. Wernerfelt (1984) hypothesised that by analysing the resources: tangible and intangible in a firm, the firm can support the development of a business strategy as well as derive a competitive advantage from the superior firm's performance and profitability as well. Similarly, OCR is an internal resource that firm can make use of to improve their sales performance with a competitive advantage. As a result, it would also be possible to improve not only Umrah firms but also Umrah industry sales performance.

Second, consumers who want to perform the Umrah must first read and review the OCR before making any purchase or payment decisions. Agencies such as MOTAC need to raise awareness of the importance of reading OCR among consumers. This may reduce the risk of being cheated by irresponsible Umrah operators or by any interested party. As a result, this will not only reduce fraud, but also help to boost the industry's sales performance, as confidence in the industry has improved.

Regardless of the challenges and the problems that consumers and the Umrah industry face, the worship of Umrah has been increasingly chosen by many peoples since it is expensive to have a Hajj and wait for a turn. This offers Umrah industry an opportunity to expand the revenue that can benefit Malaysia's economy and increase consumer confidence. There is a need for an exhaustive study.

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