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Competitive advantage of geotourism market in Malaysia: a comparison among ASEAN economies

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Abstract

This study analyzes three major components of geotourism market in ASEAN: demand side, supply side and related agencies. It reveals potential competitive advantages for Malaysia such as its large market for geotourism promotion because of higher tourist arrival rate and increasing demand trend for nature-based tourism, its supply side with enormous possibilities due to the abundance of geoheritages specially, Langkawi Global Geopark – the first UNESCO geopark in Southeast Asia, established tourism infrastructures, and price competitiveness that makes Malaysia very affordable destination. The findings suggest that Malaysia should strategies geotourism promotion taking into account these advantages and further prioritize its tourism sector.

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1. Introduction

Malaysia is recognised globally as one of the leading tourism destinations, ranking in the top 10 in arrivals and top 15 in global receipts (World Travel and Tourism Council (WTTC), 2010). Malaysia's tourism sector is among the forefronts of its economic development. Known as one of the national key economic areas, the tourism industry is a major contributor to gross national income (GNI), foreign exchange earnings and employment. It is the second largest foreign-exchange earner after manufactured good and the sixth largest component in the Malaysia economy in 2013,

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moving up one spot compared to 2012 with a contribution of RM51.5 billion to the GNI in 2013 (Ministry of Tourism Malaysia, 2013). In 2014, the country continues to see new records set, with tourism arrivals growing by 6.7 percent to 27.4 million and receipts at RM72 billion compared to RM65.4 billion in 2013 (Government of Malaysia, 2014). The tourism industry currently employs a significant number of workers – an estimated 14 percent of the total workforce. If this trend of tourism growth in Malaysia continues, it may surpass manufacturing sector, which, since 1987 has been the country's engine of growth. The revenue earned from international tourism has a pivotal role that directing Malaysian economy to higher growth (Sadi & Bartels, 1997).

However, tourism industry is changing rapidly as nature, heritage, and recreational destinations become more important, and as conventional tourism is forced to meet tougher environmental requirements (Global Development Research Center, 2009). In recent century, the need for sustainable tourism became apparent that would offer tourists to make positive impact on the environment, society and economy of the tourism destination while limiting their negative impact such as environmental degradation. Among several kinds of sustainable tourism, geotourism emerged in early 1990s. Through geoparks, geosites and geological monuments, it provides an opportunity to experience the aesthetic beauty of the unique landscape and engage in learning about the intrinsic value of geoheritage while at the same time contributing to geo-conservation by enabling sustainable development of the tourism destination. It is a natural area tourism that specifically focuses on geology and landscape which promotes tourism to geosites and the conservation of geo-diversity and an understanding of earth sciences through appreciation and learning (Dowling & Newsome, 2010). It is also particularly important in the context of sustainable development as promotion of geoheritage contributes to local and national economic development while providing an incentive to finance geo-diversity conservation for future generations by attracting an increasing numbers of tourists to the geoparks and geoheritage sites.

Nevertheless, the kind of the consumer, the pattern of their demand, the products, and services of geotourism varies from mass tourism and it is essential to explore this new dimension of tourism industry to identify the opportunities and competitive advantages for Malaysia. Therefore, this study aims to analyze the demand, supply and related agencies of geotourism market among eight larger ASEAN economies namely Indonesia, Thailand, Malaysia, Philippines, Singapore, Vietnam, Myanmar and Cambodia.

2. Comparative analysis: demand side

Demand of geotourism is associated with the demand for nature tourism since it promotes beautiful landscape of geoheritages. The positive sign is that the world demand is inclining towards nature tourism. World travel monitor (2009) reports that green consumerism will increasingly take centre stage due to the changes in demographics and lifestyles. Green consumerism refers to recycling, purchasing and using eco-friendly products that minimize damage to the environment and also includes the choice of environmental friendly products and services in tourism. Likewise, not only demand for green consumerism is increasing, but also tourists are increasingly willing to pay a premium for sustainability or environmental-friendly practices (WTTC, 2010). These indicate a hopeful prospect for sustainable tourism. Though there is no direct statistics available on the percentage of tourism who are conscious about the availability of sustainable tourism choices, it is identified by WTTC that 6 percent of the total number of tourists actually pay extra for these options and 34 percent would be willing to pay extra for them. Being a nature based sustainable tourism, the world demand for geotourism is likely to increase along 'green tourism' from a niche to a mass phenomenon. For instance, Carvalho and Rodrigues (2009) discussed in 8th European Geoparks Conference that the niche of tourism has been rising worldwide in the last years and nature tourists look for certified, high quality destinations, as are the ones being developed by the Geoparks under auspices of UNESCO. Therefore, it is possible to create competitive advantage using innovative cooperative partnerships to promote sustainable products and services of geotourism.

Comparing between ASEAN, Malaysia is notably top tourist recipient country with 27.4 million tourist arrivals in 2014 followed by 24.8 million in Thailand, 15.1 million in Singapore, 9.4 million in Indonesia, 7.9 million in Vietnam, 4.8 million in Philippines, 4.5 million in Cambodia, and 3.08 million in Myanmar (ASEAN, 2015). WTTC (2010) reports that Malaysia's major tourist attractions are its modern architecture, exotic jungles, lively historical ports, and ancient colonial heritage as well as the country's intercultural Asian atmosphere. Figure 1 illustrates the rate of tourist arrivals in ASEAN economies in past few years.

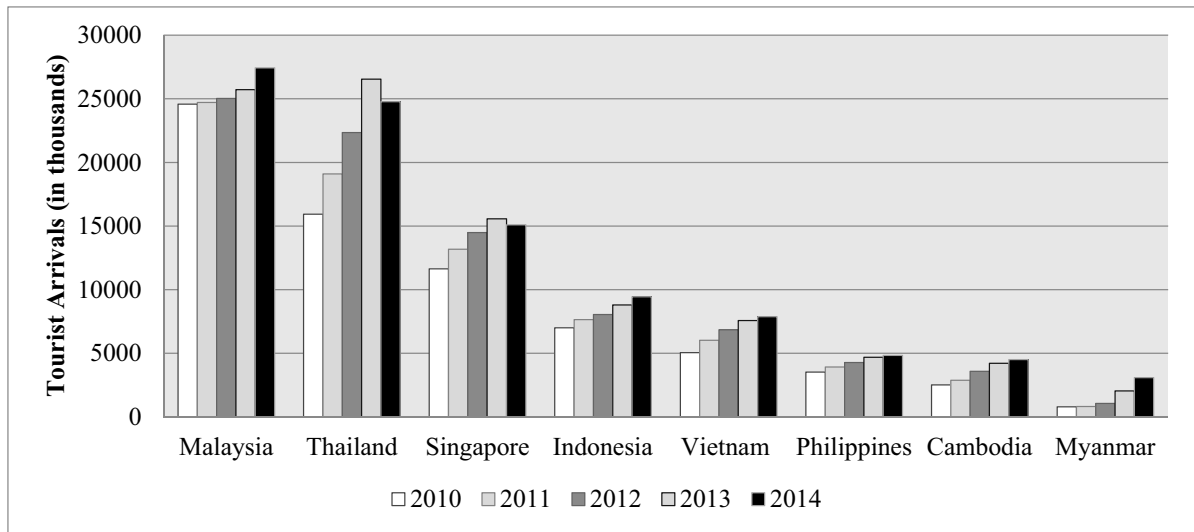


Fig. 1. Tourist Arrivals (Data Adapted from ASEAN, 2015)

In addition, along with the changing world demand, Malaysia's nature tourism is flourishing. For example, according to estimates in 2002, nature based tourism was the fastest growing segment of tourism in Malaysia growing at 35% per year and constituting 10% of tourism in Malaysia (WTTC, 2002). In addition, Langkawi - the pioneer for the geopark in Malaysia is known as a major nature tourism destination. The tourist arrivals in Langkawi have shown an increasing trend supporting the tendency of growth in the nature tourism market in Malaysia (LADA, 2015). Being one of the major tourist destinations in ASEAN with increasing tourist arrivals reflects the great market for Malaysian tourism industry and it offers competitive advantage to promote its geotourism sector to a large number of tourists.

3. Comparative analysis: supply side

The supply side of geotourism calls for unique geoheritages and proper tourism infrastructure. As pointed out by Carvalho, and Rodrigues in European Geopark Conference (2009), 'it is crucial that geotourism has rich geological heritage with cultural, historical, and natural (bio and geo) points of interest and approaches as well as supportive structures (lodging, activities/ events) to receive the high demanding geotourists.'

Geoheritages are defined as the inheritance of rocks, soil and landforms and the evidence they contain that enables the history of earth to be unravelled (Joint Nature Conservation Committee, 2005). The geoheritage of ASEAN is incredibly rich and diverse and with unique characteristics. There are numerous geoheritages around ASEAN that are protected under the different national and global establishments such as the UNESCO global network of national geoparks, national parks, natural heritage sites, national geoparks, provincial parks, national geological monuments, state parks, geoforest parks and as protected geoheritage sites (Mohd Shafeea Leman et al., 2008).

Thailand, Indonesia, Vietnam, Philippines, Cambodia, Myanmar and Singapore with their unique geoheritage make geotourism market very competitive for Malaysia. Nevertheless, being the first UNESCO geopark in Malaysia and Southeast Asia, the Langkawi Global Geopark (LGG) triggers the prospect to promote geotourism with value-added capitalizing on a global brand. On the other hand, in recent years, Indonesia has also successfully associated with UNESCO global network by establishing two geoparks. Therefore, in order to acquire the competitive advantage being a pioneer at UNESCO geopark development in this region, Malaysia has to maintain its global standard for LGG as well as promote other geoheritages for international recognition.

In addition, infrastructure forms an integral part for any tourism success. The infrastructure sub-index of travel and tourism competitiveness index captures the availability and quality of physical tourism infrastructure of ASEAN economy (World Economic Forum, 2015). This sub-index includes pillars such as air transport infrastructure that

measures to what extent a country offers sufficient air connectivity for travellers' access to and from countries, ground and port transport infrastructure that measures the availability of efficient and accessible transportation to key business centres and tourist attractions and tourist service infrastructure that measures the availability and the quality of key tourism services. Figure 2 represents the Infrastructure Competitiveness Score for ASEAN.

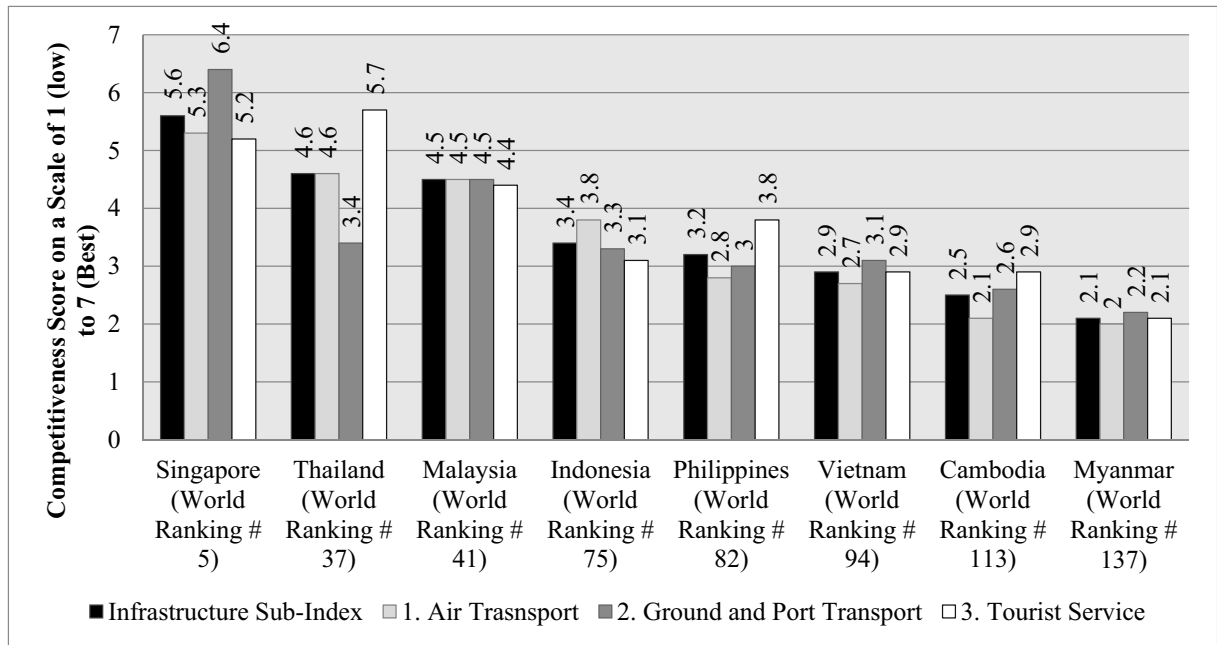


Fig. 2. Competitiveness Score for Infrastructure Sub-Index (Data adapted from World Economic Forum, 2015)

Competitiveness scores indicate that Malaysia is ranking third on infrastructure sub-index among ASEAN with a score of 4.5 on a scale of 7 (World Economic Forum, 2015). Though this pillar does not specifically measure the service infrastructures available for geotourism, success of geotourism is heavily dependent on common tourism infrastructures such as air, ground and port transports and other tourist services. Results indicate that Malaysia has competitive advantage over Indonesia, Philippines, Vietnam, Cambodia and Myanmar on the availability of tourism infrastructures. However, Singapore and Thailand are equipped with better tourism infrastructures and Malaysia would need to offer those kinds of facility.

4. Related Agencies

Support and co-operation from related agencies are crucial in order to promote any new development concept, particularly those related to conservation such as geotourism. Various agencies can influence the geotourism sector generally in two ways. Firstly, through co-operation they can help to improve the supply side of geotourism by exploring, conserving, maintaining and regulating policies for geoheritage. Secondly, through participation in promotional activities for geoheritage, they can encourage the customer's choice for choosing Malaysia as their geotourism destination resulting in higher consumer demand.

Several organizations including government of ASEAN economies have been working for their geoheritage conservation such as Malaysian Geological Heritage Group from 1970 in Malaysia, National Committee on Geological Sciences from 1980 in Philippines, Office of Natural Resources and Environmental Policy and Planning from 1983 in Thailand and Department of Geology and Minerals of Vietnam etc. Since, there is no common performance indicators to compare the role of related agencies, the competitiveness scores from travel and tourism policy and enabling conditions sub-index of travel and tourism competitiveness index provide some insights (World Economic Forum, 2015). This sub-index captures specific policies or strategic aspects that impact the travel and

tourism industry more directly. It includes pillars such as prioritization of travel tourism that measures the extent to which the government actively promotes and orchestrate the development of the travel and tourism sector, international openness that measures how open a country is to people travel and services, price competitiveness that measures how costly it is to travel in a country and environmental sustainability that measures the extent to which environmental protection limited to those aspects that impact tourists directly. Figure 3 represents the Travel & Tourism Policy and Enabling Conditions Competitiveness Score for ASEAN.

The results of this sub-index reveal that Malaysia is ranking fourth among ASEAN for its performance on travel and tourism policy and enabling condition. Malaysia scores 4.4 on a scale of 7 on this sub-index and gains competitiveness advantage over Thailand, Cambodia, Vietnam and Myanmar (World Economic Forum, 2015).

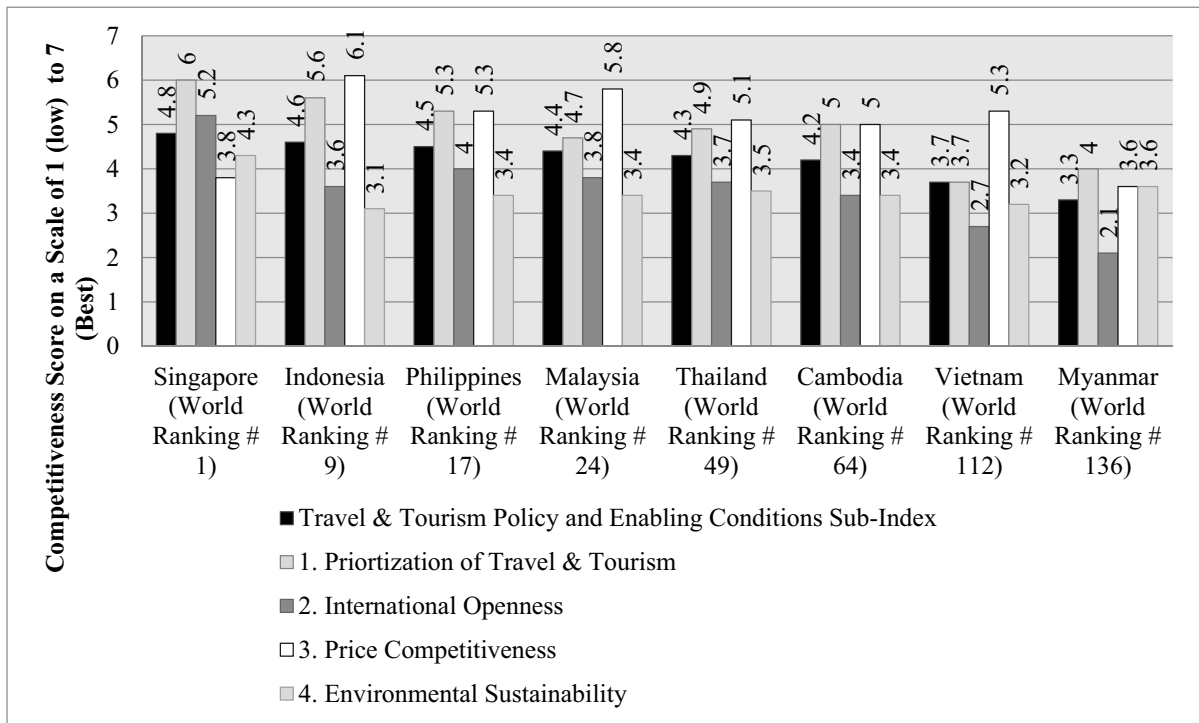


Fig. 3. Competitiveness Score for Travel & Tourism Policy and Enabling Conditions Sub-Index (Data adapted from World Economic Forum, 2015)

For instance, price competitiveness makes Malaysia very attractive destination for travel and it performs one of the best scores among ASEAN economies and creates competitive advantage for Malaysia as it enables to offer geotourism services at reasonable price. In addition, environmental protection due to tourist impact is one of major objectives of geotourism since it aims for sustainable use of geoheritage. Malaysia has strong commitment towards environmental protection and performs better on this pillar compared to Indonesia and Vietnam. However, Singapore, Vietnam and Thailand are leading the way on environmental sustainability. On the other hand, though Malaysia strongly prioritizes travel and tourism, competitiveness score-wise it is still behind Singapore, Indonesia, Philippines, Cambodia and Thailand. Therefore, the related agencies in Malaysia would need to focus better towards prioritizing travel and tourism, and improves environmental sustainability for promoting geotourism market.

5. SWOT Analysis

SWOT (Strength, Weakness, Opportunity, Threat) analysis guides to identify the positives and negatives of Malaysian geotourism industry (S-W) and the opportunity and threat exists in the external environment (O-T). Developing a full awareness of current situation and competitive advantage would help with both strategic planning and decision-making for geotourism promotion. Based on the findings of comparative analysis between ASEAN economy, a SWOT table for Malaysian geotourism market has been formed (Table 1).

Table 1. SWOT Analysis of Malaysian Geotourism Market

Strength	Weakness
<ul style="list-style-type: none"> • Larger tourists' arrival in Malaysia compared to other ASEAN economies • Growing demand for Malaysia's nature-based tourism sector • Pioneering in geopark development in ASEAN • UNESCO branding for Langkawi Global Geopark • Abundance of geoheritage resources • Availability of tourism infrastructures (e.g. air, ground and port and tourist service) compared to Indonesia, Cambodia, Vietnam, Philippines and Myanmar • Supportive related agencies • Affordability for travel and tourism sector • Enhanced travel and tourism policy and enabling conditions compared to Thailand, Vietnam, Cambodia and Myanmar • Strong prioritization of travel and tourism compared to Vietnam and Myanmar • Vast international openness compared to Thailand, Myanmar, Vietnam, Cambodia and Indonesia • Better environmental protection to the tourist impact compared to Indonesia and Vietnam 	<ul style="list-style-type: none"> • Lack of tourism infrastructures (e.g. air, ground and port and tourist service) compared to Singapore and Thailand • Extent of government promotion and the development of the travel and tourism sector compared to Singapore, Indonesia, Philippines, Cambodia and Thailand • Lack of Environmental protection to the impact of tourists compared to Singapore, Vietnam and Thailand • Lack of international openness for travel and services compared to Singapore and Philippines
Opportunity	Threat
<ul style="list-style-type: none"> • Economic development of local region • Community well-being • Preservation of geoheritage for future generation • Sustainable use of geoheritage 	<ul style="list-style-type: none"> • Other countries with geoheritage specially Indonesia with two UNESCO geoparks. • Environmental and geoheritage degradation due to over-capacity

6. Conclusion

The comparative analysis shows that there are several competitive advantages for geotourism market in Malaysia. Firstly, there is strong demand side. The higher demand of Malaysian tourism compared to other ASEAN economies, and increasing demand for Malaysia's nature-based tourism sector indicate positive signs for geotourism as these statistics reveal a large market for geotourism promotion. Secondly, there is strong supply side. For instance, it possesses the necessary resources for geotourism sector (abundant geological heritages and important tourism infrastructures). In addition, Malaysia ranks third among ASEAN economies on infrastructure sub-index of travel and tourism competitiveness index and offers better tourism infrastructures than Indonesia, Philippines, Vietnam, Cambodia and Myanmar. Thirdly, there is support from related agencies as it ranks fourth among ASEAN for its performance on travel and tourism policy and enabling conditions. It performs noticeably better on price competitiveness, environmental protection and international openness pillar than some of the ASEAN economies. Even though there is significant strength of Malaysian geotourism market among ASEAN, there are areas where improvements are needed. For instance, travel and tourism prioritization, environmental protection to the impact of tourists compared to Singapore, Vietnam and Thailand and lack of international openness for travel and services

compared to Singapore and Philippines. By proper improvement and management of these areas, success of geotourism can be realized and Malaysia can lead the way in this new market. Therefore, the findings suggest that since there is huge potential for geotourism market in Malaysia, it should recognise its competitive advantage and value its treasure of geoheritage and conserve and promote them through geotourism.

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