

CHAPTER 1 INTRODUCTION

Tourism has been the most profitable industry in the world. It is reported to have generated US\$2.65 trillion worldwide, and employs more people than any other single industrial sector. As reported by the World Tourism Organization, receipts from international tourism in 1994 soared by 14 percent to reach US\$59 billion, where Asia is the world's fastest growing tourism region with East Asia and the Pacific region (which includes China, Hong Kong, Malaysia, Singapore, Thailand, Indonesia, Republic of Korea, Australia, Macau and Taiwan) setting new international tourist arrival and receipt record all together. Tourism to these East Asian and the Pacific countries grew more than twice as fast as the world averaging 7.6 percent over 1993, and it will be the number one industry for a long time (WTO NEWS, 1995).

1.1 Tourism in Malaysia

In 1999, the Malaysian tourism industry as a whole generated a total of RM12.32 billion in tourism receipts, from a total of 7.93 million tourist arrivals (Tourism Statistical Highlights, 1999). The all-time high tourist arrivals of foreign visitors to our shores, are due to significant upsurges from new market such as India, China and the Middle East, while traditional markets such as Europe, Australia and Japan, are reverting to their former levels (MATTA, 1999) These figures show that the tourism industry was the third largest source of foreign exchange earnings for Malaysia.

For the year 2000, it had set a nationwide target of 8.5 million of international arrivals, and 9.0 million for year 2001, whilst the target for domestic tourism is 15 million for 2000 (YB Datuk Chong, 2001). This will in turn help to create jobs and ultimately lead to a better standard of living.

The 1997 Asian economic crisis has affected the Malaysian tourism industry. This was due to an economy breakdown caused by the currency crisis epidemic that spread amongst the Far East countries. Apart from the European, American and the Australian travellers, the Malaysian tourism industry is heavily dependent on its regional market, particularly its neighbouring countries, namely, Singapore, Thailand, Taiwan, Japan and Indonesia (Tourism Statistical Highlights, 1999). The crisis prevented them from coming to visit and ultimately, spend. In 1998 the tourism industry recorded a very low figures, where arrivals decreased from 7.13 million in 1996 to 5.5 million in 1998 (TNA, 1999).

1.2 Domestic Tourism

The economic crisis prompted the Malaysian government to discourage domestic travellers from holidaying abroad as a measure to prevent an outflow of income, as this will affect the national balance of payment. This reflects the realisation of the importance of domestic tourism on the national economy. In order to deter our local tourists from spending money on holidays abroad, campaigns have been launched to entice the locals to spend their holidays within the country. An endless effort has been made to make international holidays as unattractive as possible. For example, increases in airfares, and an increase passport fee, for international travel, whilst introducing attractive packages for domestic destinations.

Despite the devaluation of the Ringgit, this has not deterred Malaysians from travelling abroad. It purportedly believed that neighbouring countries like Thailand and Indonesia offers them better value for money in comparison to domestic destination. Their believes are confounded by evidence such as the high air fares to Kuching or Kota Kinabalu when compared to flying to neighbouring countries such as Phuket or Medan (TNA, 1999). The Malaysian Tourism Board has found it very difficult to penetrate the domestic tourism market than the overseas markets. In 1996, 30 percent of its population or 7.6 million

Malaysians went overseas and had spent RM6.5 million (TTG Asia, 1998).

In encouraging the domestic tourism, the Government has put in place a series of measures. Amongst them include, the pegging of Malaysian Ringgit to the Dollar and limiting travellers abroad in bringing only a maximum of RM10,000.00. This is quite minimal particularly for those that are travelling with their family or to the U.S. or to West Europe. In the effort to boost the domestic tourism, the Government has been trying to change the mindset of Malaysian who thinks going for a holiday is luxurious rather than a necessity (Bernama, 2001). The Minister of Culture, Arts and Tourism, Datuk Abdul Kadir Sheikh Fadzir said that most Malaysians' holidays are confined to "balik kampung" or visiting friends and relatives rather than experiencing the country's attractions. This campaign was the biggest ever and continued for two years.

In 1999, the Government had declared that the first Saturday of the month a public holiday and in 2001, an additional Saturday holiday was added; i.e. the third Saturday of each month. Based on a research done by the University of Technology Malaysia (UTM) the Saturday off has brought many positive effects to the domestic tourism industry. Ninety percent of government and private employees utilize their Saturday off days to go for a holiday to resorts around the country. Provided that they have cash to spare they would prefer to plan to have an excursion with friends and family anywhere within the country (Berita Harian, 2001).

The Shopping Carnival, and Citrawarna (A celebration of the vast cultures of the people within the country), are other campaigns that the Government has launched in view to help increase local and international tourists to visit popular spots around the country.

1.3 Objectives of the Study:

The main objective of this study is to examine the Malaysian travellers behaviour towards domestic leisure holidays. From the main objective, several sub objectives were formed, as listed below: -

1. To identify respondents' personality type.
2. To profile respondents' demographic characteristics.
3. To observe the significant relationships between respondents' personality type and their travel behaviour.
4. To examine the significant relationship between respondents' personality and their demographic profile.
5. To investigate the significant relationship between respondents' demographic and travel behaviour.
6. To investigate the significant relationship between the benefits offered and benefits sought.

1.4 Significance of the Study:

This study will be of significant value to inbound tour operators, accommodation providers and tourism promotion boards as it tries to investigate the buying behaviours, personality, and demographic characteristics of domestic leisure travellers. These will allow the relevant parties to design their promotion strategies based on these information.

The tourism industry is the second largest industry contributing to the Malaysian economy. Therefore, it is very important that authorities concerned utilise the findings of this study to design an effective programs that will lure more domestic travellers to local destinations. This will also reduce local travellers from spending their leisure holidays outside the country. This will not only help the country's balance of payment, but also will bring more job opportunities to the citizens, thus, improve standard of living of Malaysian citizens.

1.5 Organization of the Study

The study comprises of five chapters. Chapter One serves as an introduction to the study. It also sets out the objectives and significance of the study. Chapter Two reviews some literature on the theories and concepts of the subject matter and studies that have been done prior to this. Chapter Three discusses the research methodology and limitations of the study. Chapter Four reveals the research results. Chapter Five concludes the study by summarizing the findings and make some suggestions to the relevant authorities. It also presents the recommendations for future results.