

**Destination Competitiveness in Perhentian Island, Malaysia:
The Role of Image, Experience and Loyalty.**

Volume 1 of 2

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ABSTRACT

In an increasingly saturated global market, Tourism Destination Competitiveness (TDC) is fundamental for the sustained growth of tourism destinations. It is essential in shaping long-term economic growth, improving community well-being and aiding in attracting investment to the development of a destination. This, however, can be problematic to destinations like small islands, which have limited resources, are environmentally vulnerable and which are economically dependent on international trade. The development of the destination requires a crucial understanding to achieve, enhance and strengthen competitiveness. The aim of this study is to examine the relationship between TDC and other main variables such as the quality of tourism experience, Tourism Destination Image (TDI) and tourist loyalty, as well as to develop a theoretical model of destination competitiveness for island destinations based on the tourists' and stakeholders' perspectives of Perhentian Island, Malaysia.

To achieve its research aim and objectives, this study adopts a sequential, exploratory mixed methods design. Tourism related government agencies were interviewed in the first phase of the qualitative data collection, and 21 attributes of TDC were determined to provide a platform for assessing TDC in the second and third phases of the data collection. In the second phase of the qualitative data collection, semi-structured interviews were conducted with other tourism stakeholders. The stakeholders highlighted issues and gave recommendations on themes that are the basis for destination and marketing development of the island. The different perspectives, viewpoints and opinions contribute to a niche understanding of destination competitiveness for Perhentian Island.

In the third phase of the quantitative data collection, 213 usable questionnaires were obtained from tourists visiting Perhentian Island. An analysis of the survey data revealed the relative importance of TDC factors in assessing the competitiveness of Perhentian Island and of competing destinations. A comparison of the relative importance of TDC factors between tourists and stakeholders shows the differing priorities set for Perhentian Island. Another statistical analysis also showed 2 dimensions of tourist characteristics namely: (1) number of overnight stays and (2) educational level, which have statistically

significant differences and relationships with the importance of quality of tourism experience and TDI respectively. The result indicates that these two variables (quality of tourism experience and TDI) together with tourist loyalty positively influenced the level of destination competitiveness. Moreover, TDC appears to have a mediating effect on the relationship between TDI and tourist loyalty.

This study outcome provides several implications for the development of TDC theory, methods and application of competitiveness to small islands like Perhentian. The study also postulates managerial implications for tourism stakeholders, especially the policymakers and decision-makers, as TDC plays an important role for the development of Perhentian Island. These include the recognition of the core resources and attractors of Perhentian Island that are most appealing to the tourists to enhance destination competitiveness. The result identified attributes that would benefit the tourism stakeholders in promoting the destination.

Keywords: tourism destination competitiveness, quality of tourism experience, tourism destination image, tourist loyalty

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TABLE OF CONTENTS

Abstract	i
Acknowledgements	iii
List of Content	v
List of Tables	x
List of Figures	xiii
CHAPTER 1: INTRODUCTION	1
1.1 Research Background	1
1.2 Research Issues	4
1.3 Research Aim and Objectives	5
1.4 Outline of the Thesis	6
CHAPTER 2: LITERATURE REVIEW	7
2.1 Introduction	7
2.2 Definition of Destination Competitiveness	8
2.3 Detailed Review of Tourism Destination Competitiveness	11
2.3.1 Other Variables	18
2.4 Tourism Destination Competitiveness Model	19
2.5 Determinants of Tourism Destination Competitiveness	26
2.6 Marketing Perspective	32
2.6.1 Destination Management Organization	35
2.6.2 Tourism Destination Resources	36
2.6.3 Demand and Supply Perspectives	37
2.7 Tourist Profile	39
2.8 Destination Image	40
2.8.1 Destination Image and Competitiveness	42
2.9 Tourism Experience and Quality	44
2.9.1 Quality of Tourism Experience and Competitiveness	53
2.10 Tourist Loyalty	55
2.10.1 Tourist Loyalty and Competitiveness	57
2.11 Summary	58

CHAPTER 3: TOURISM IN MALAYSIA, TERENGGANU AND PERHENTIAN ISLAND	62
3.1 Introduction	62
3.2 Tourism Malaysia	62
3.2.1 Country Profile	62
3.2.2 Overview of Malaysian Tourism Industry	64
3.2.3 Performance of the Tourism Industry in Malaysia	64
3.2.4 The Structure of the Industry and Product Development	67
3.2.5 Niche Product: Island Focus	70
3.3 Island Destination in Terengganu	72
3.4 Perhentian Island	73
3.4.1 Overview on Tourism	73
3.4.2 Premier Ecotourism Destination	77
3.5 Summary	79
CHAPTER 4: METHODOLOGY AND RESEARCH DESIGN	81
4.1 Introduction	81
4.2 A Rationale for Mixed Methods	81
4.3 Research Design	85
4.3.1 First and Second Phase Qualitative Data Collection	87
4.3.1.1 Interview Guide Design	89
4.3.2 Third Phase Quantitative Data Collection	92
4.3.2.1 Questionnaire Design	93
4.3.3 Fourth Phase Quantitative Data Collection	97
4.4 Data Collection	98
4.4.1 Field Research	98
4.4.2 Pilot Study	100
4.4.3 Survey Population	100
4.4.4 Sample Size	101
4.4.5 Survey Setting	101
4.5 Data Analysis	103
4.5.1 Qualitative Data Management	104
4.5.2 Quantitative Data Management	104
4.5.2.1 Descriptive Analysis	105
4.5.2.2 Inferential Analysis	105

4.6	Research Ethics	109
CHAPTER 5: DESTINATION DEVELOPMENT		110
5.1	Introduction	110
5.2	Organisational Background and Role	112
5.2.1	Tourism Malaysia Terengganu	113
5.2.2	Tourism Terengganu	116
5.2.3	The Village Development and Security Committee of Perhentian Island	117
5.2.4	Department of Marine Park Malaysia	119
5.2.5	Perhentian Island Resort and Bubu Resort	121
5.3	Overview of Respondents' Background	121
5.4	Interview Analysis	123
5.4.1	Tourism Destination Management	123
5.4.1.1	Role of the Government	124
5.4.1.2	Government-stakeholders' cooperation	128
5.4.1.3	Leadership Skills	130
5.4.1.4	Financial Aspect	131
5.4.2	Economic Development of Perhentian Island	134
5.4.2.1	Accessibility and transportation	134
5.4.2.2	Price	138
5.4.2.3	General infrastructure	143
5.4.3	Sustainable Tourism Development	147
5.4.3.1	Pollution	148
5.4.3.2	Conservation of Natural Habitats and of Wild Fauna and Flora	151
5.5	Summary	154
CHAPTER 6: DESTINATION MARKETING AND COMPETITIVENESS		159
6.1	Introduction	159
6.2	Marketing Structure	160
6.2.1	Promoting Terengganu	160
6.2.1.1	Tourism Malaysia Terengganu	160
6.2.1.2	Tourism Terengganu	161
6.2.2	Perhentian Island the Premier Ecotourism Destination	166

6.3	Interview Analysis	177
6.3.1	Competitiveness	177
6.3.1.1	The Competitors	177
6.3.1.2	The Differentiation of Perhentian Island as an Island Destination	179
6.3.2	Consumer Segmentation and Behaviour	181
6.3.3	Destination Marketing Strategy	183
6.3.3.1	Types of Marketing Activities	184
6.3.3.2	Measuring and Monitoring Success	185
6.4	Summary	186
CHAPTER 7: VISITOR DEMOGRAPHIC AND TRAVEL PROFILE		189
7.1	Introduction	189
7.2	Tourist Profile	190
7.2.1	Demographic Analysis	190
7.2.2	Travel Profile	196
7.3	Underlying Assumptions for the Non-Parametric Analysis	201
7.3.1	Examinations of the Relationships Between Three or More Categorical Groups and Quality of Tourism Experience and Tourism Destination Image	203
7.4	Summary	207
CHAPTER 8: DESTINATION COMPETITIVENESS FRAMEWORK AND FACTORS		211
8.1	Introduction	211
8.2	Measures of Tourism Destination Competitiveness	214
8.2.1	Perhentian Island Competitor Destinations	214
8.2.2	Key Determinants of Relative Competitiveness	215
8.3	Reliability Test	218
8.4	Underlying Assumptions for Parametric Statistical Analysis	220
8.5	Hierarchical Multiple Regression Analysis	220
8.5.1	Quality of Tourism Experience, Tourism Destination Image and Tourism Destination Competitiveness	222
8.5.2	Tourism Destination Competitiveness and Tourist Loyalty	225
8.5.3	Testing Mediators in Key Relationships	228

8.6	After-Trip Analysis	233
8.7	Summary	236
CHAPTER 9: CONCLUSION		240
9.1	Introduction	240
9.2	Key Research Findings	241
9.3	Convergence of Quantitative and Qualitative Results	258
9.4	Limitations	263
9.5	Future Research	264
9.4	Key Contributions	266
9.4.1	Theoretical Implications	266
9.4.2	Managerial Implications	268

LIST OF TABLES

2.1	Definitions of Destination Competitiveness	9
2.2	Sample Research Articles by Publication Source Between the Years 1983 and 2018	12
2.3	Results Summarisation of the Detailed Review Between the Years 1983 and 2018	15
2.4	List of Other Variables Used for TDC Research	18
2.5	List of Attributes to Measure TDC	28
2.6	List of Attributes Used in Selected TDC Studies from the Detailed Review	30
2.7	Definitions of Destination Image	41
2.8	Overview of Academic Literature Related to Quality Tourism Experience and Examples of Representative Academic Articles	48
2.9	List of Activity and Influencers on Tourism Experience According to Phase	52
3.1	Tourist Arrivals and Receipts to Malaysia by Year	65
3.2	Tourism Themes and Entry Points	69
3.3	Comparison of the NKEA Plan for Tourism Industry in Malaysia	70
3.4	Tourist Arrivals between 2011 and 2016	73
3.5	Tourism Stakeholders Involved with Perhentian Island	79
4.1	Comparison Between Methods	82
4.2	Purposes and Rationales for Mixed Methods Research	83
4.3	Research Objectives and Approaches	84
4.4	Types of Mixed Methods Design	85
4.5	A Summary of Interview Constructs, Topics, Focus and Related Questions	90
4.6	A Summary of Questionnaire Phases, Focus and Items	94
4.7	The Image Attributes of Perhentian Island	93
4.8	The Key Factors of TDC	96
4.9	A Summary of Follow-Up Questionnaire Phase, Focus and Items	98
5.1	Respondent Profiles	111
5.2	Historical Overview of Institutions for the Promotion of Tourism Development in Malaysia	113
5.3	The Associations and Activities Conducted in the Village	119
6.1	Respondent profiles	160

6.2	Tourist Arrival Statistics to Terengganu for Years Before and After Visit Year of Terengganu	162
6.3	Destinations Selected for the Benchmarking Study	170
7.1	Tourists' Country of Origin	191
7.2	Demographic Profile	193
7.3	Travel Profile: Domestic and International Tourists	196
7.4	Travel-Decision Process	200
7.5	Reduced Groups of Dimensions of Tourist Characteristics	202
7.6	Key Statistically Significant Results of Kruskal-Wallis Test of TDI and Quality of Tourism Experience on Tourist Characteristics	204
7.7	Results of Mann-Whitney U Tests and Effect Sizes of Number of Overnights	205
7.8	Results of Mann-Whitney U Tests and Effect Sizes of Education Level	207
7.9	Summary of The Statistically Significant Results Between Characteristics of Tourists, Quality of Tourism Experience and Tourism Destination Image	209
8.1	Tourism Factors Ranked by Tourists	216
8.2	Rule of Thumb About Cronbach Alpha Size	218
8.3	Cronbach's Alpha Coefficient Study Variables	219
8.4	Hierarchical Linear and Multiple Regression Analysis for Quality of Tourism Experience, TDI and TDC	224
8.5	Hierarchical Linear Regression Analysis for TDC and Tourist Loyalty	227
8.6	Hierarchical Linear and Multiple Regression Analysis for Quality of Tourism Experience, TDI and Tourist Loyalty	230
8.7	Hierarchical Multiple Regression Analysis for Mediating Effect of TDC Between TDI and Tourist Loyalty	232
8.8	Summary of the Mediation Analysis Between TDI, TDC and Tourist Loyalty	233
8.9	Demographic Characteristics of the Respondents for Post-Trip	234
8.10	Descriptive Statistics on Post-Trip Attributes	235
8.11	Comparison Mean on Tourist Loyalty	236
8.12	Priority Factors for Destination Competitiveness	237

9.1	Priority Factors of Destination Competitiveness perceived by Tourists and Tourism Stakeholders	252
9.2	Comparison Ritchie and Crouch's (2003) Model to Island Competitiveness Model	262

LIST OF FIGURES

2.1	The Diamond Model	19
2.2	The Industry Competitiveness Framework	21
2.3	Crouch and Ritchie Destination Competitiveness Model	23
2.4	Dwyer and Kim Destination Competitiveness Model	24
2.5	Tourism Destination Image Construct	44
2.6	Plog's Psychographic Personality Types Model	46
2.7	The Travel Experience	50
2.8	The Three Phases of the Vacation Experience	51
2.9	The Quality of Tourism Experience Construct	55
2.10	Conceptual Framework of the TDC Model	59
3.1	Map of Malaysia	63
3.2	Tourism Malaysia integrated Promotion Plan for 2018-2020	66
3.3	Areas for Regional Economic Corridors Involving Tourism Industry	68
3.4	Map of Perhentian Island	74
3.5	The Snorkelling activity at Perhentian Island	75
3.6	Photographs of Kampung Pasir Hantu	76
4.1	Exploratory Sequential Research Design	87
4.2	Three Months (February to July 2017) Data Collection Timeline	99
4.3	Areas for Data Collection	102
4.4	Photographs of Data Collection Area	103
4.5	Analysis Model of Tourist Characteristics and Importance of Quality of Tourism Experience and Tourism Destination Image	106
4.6	Analysis Model of Quality of Tourism Experience, Tourism Destination Image, Tourism Destination Competitiveness and Tourist Loyalty with the Six Selected Control Variables	107
4.7	Basic Causal Chain Involved in Mediation	108
5.1	State Office and Tourist Information Centre	114
5.2	Organization Chart of Tourism Malaysia Terengganu	115
5.3	Organization Chart of Tourism Terengganu	116
5.4	Organization Chart of JKKK	117
5.5	Organization Chart of Department of Marine Park Malaysia (Terengganu)	120
6.1	Terengganu Fun Map	164

6.2	Current and Potential International Market Segments	167
6.3	Current and Potential Domestic Market Segments	167
6.4	The Description to Organising Perhentian Marine Conservation Week	176
6.5	Themes Emerged Relating to Perhentian Island Destination Competitiveness	188
8.1	Stage of Analysis	212
8.2	Analysis Framework	213
8.3	Locations of Competing Islands	214
8.4	Basic Causal Chain Involved in Mediation	228
8.5	Mediating Effect of Tourism Destination Competitiveness on Tourism Destination Image and Tourist Loyalty	238
9.1	Summarisation of Themes from Semi-Structured Interview Relating to TDC	242
9.2	Research Model of Tourism Destination Image, Tourism Destination Competitiveness and Tourist Loyalty	255
9.3	Research Model	259

CHAPTER 1

INTRODUCTION

1.1 RESEARCH BACKGROUND

The tourism industry is one of the world's largest industries, contributing 10.4% (USD 8,272.3 billion) of world GDP in 2017 (World Travel & Tourism Council [WTTC], 2018). This was predicted to grow by 4.0% in 2018 (WTTC, 2018). For the first time in history, this sustained growth has led Asia to have one of the world's highest economic outputs in US dollar terms and it far exceeded the Americas in 2016 (World Tourism Organization and Global Tourism Economy Research Centre [UNWTO/GTERC], 2017). The remarkable progression of Asian countries reflects the growing importance of the tourism sector in both social and economic development. South Asia and Southeast Asia saw increased tourist arrivals at an average growth rate of 11% and 8% each year respectively from 2005 to 2016 (UNWTO/GTERC, 2017). This has shaped the development of Malaysia, it being the third most significant country in Asia after China and Thailand in terms of tourist arrivals (UNWTO/GTERC, 2017). Tourism was the third largest contributor to the country's Gross National Income in 2017 with RM81.1 billion *(RM78.1 billion or £13.95 billion, based on constant prices 2016) (Civil Service Delivery Unit [CSDU], 2017). This is a monumental achievement for the Malaysian tourism sector given the economic profile of the country, which heavily relies on the industries of oil and gas (CSDU, 2017). As stated by Begum, Alam, and Sahazali (2014), the growth of the country is driven by tourism as the second main industry for developing global competitiveness. In fact, it is important to note that the achievement of this positive economic performance resulted from the decision of the Malaysian government in 1972 when they integrated tourism as part of the country's developmental strategy (Salmond, 2010). The emphasis on tourism's integration in the Malaysian economy has positively increased the foreign exchange earnings, and employment opportunities (Bhuiyan, Siwar, Ismail, Islam, & Ehsan, 2011).

*For details on conversion refer to **Appendix 1**

Malaysia has been aggressively developing its tourism sector with key coordination between various public and private sectors in improving and promoting tourist products and facilities (Jaafar, Abdul-Aziz, Maideen, & Mohd, 2011; Salmond, 2010). Begum et al. (2014) suggest that the establishment of the network created between the Malaysian government and private stakeholders has been crucial in facilitating the current and long-term plans for tourism development in the country. This coordination is needed in positioning Malaysia as a successful tourism destination since the dynamic and complex nature of the tourism industry demands the interaction between various stakeholders in the provision of competitive products and services as well as infrastructure (Zee & Vanneste, 2015). Hence, it is important for these stakeholders to understand that the perception of the destination by tourists is based on full and integrated experiences (Solvoll, Alsos, & Bulanova, 2015; Zee & Vanneste, 2015). For this reason, the link between tourism stakeholders and tourists is critical in the structuring of competitive products, services, processes, events and environments as the perceived experiences play an important role in building destination competitiveness (Meng, 2006; Ritchie & Crouch, 2000; Shedroff, 2001). The collaboration amongst stakeholders is also highlighted by Crouch (2011, p. 1) as follows:

This experience is produced not by a single firm but by all players who impact the visitor experience; namely, tourism enterprises (such as hotels, restaurants, airlines, tour operators, etc.), other supporting industries and organizations (such as the arts, entertainment, sports, recreation, etc.), destination management organizations (whether private, public, or private–public partnerships), the public sector (which provides public goods that serve tourists, such as roads, general infrastructure, etc., as well as government tourism departments or agencies), local residents, and other publics.

This shows the crucial involvement of multiple public and private stakeholders to ensure that a destination's overall attractiveness and the tourist experience offered are superior over those in rival destinations (Dwyer, Mellor, Livaic, Edwards, & Kim, 2004; Dwyer & Kim, 2003). Therefore, it is imperative to consider a destination's competitive advantages in the form of the quality of the

tourists' experience. This can be the major contributing factor to destination competitiveness, which also influences tourists' decision-making, image of the destination and future behavioural intention towards the destination (Meng, 2006).

It is also noted that a distinctive competitive advantage is achievable from the planning, positioning, branding and the construction of a destination image (Hsu, Wolfe, & Kang, 2004). The importance of destination image is highlighted by Crouch (2011) as being as critical as to destination's competitiveness. Image supports the developing of marketing strategy to strengthen a destination's competitiveness and its market share (Echtner & Ritchie, 1991). Moreover, in order to form a destination image, an understanding is required of the tourism market segmentation. Therefore, by promoting the image that is preferred by tourists will give a distinctive position to the destination in the competitive tourism market (Gartner, 1989; James, Durand, & Dreves, 1976). In other words, the image could differentiate a destination from the competition and influence potential tourists' decision-making process in their choice of destination (Chen & Tsai, 2007; Echtner & Ritchie, 1991). Accordingly, the image of a destination correspondingly influences tourists' travel or revisiting intentions (Fakeye & Crompton, 1991).

As suggested by Chen and Gursoy (2001), repeat visitation and recommendation to other potential visitors is commonly measured to identify tourists' destination loyalty. It is therefore important to focus on the resource management to produce high quality products and enhance the tourists' experience to yield a greater level of tourist loyalty (Ryglová, Rašovská, Šácha, & Maráková, 2018). In fact, the quality of tourism experience has a great influence not only on tourists' behavioural intentions (tourist loyalty) but also the destination image (Bigne, Sanchez, & Sanchez, 2001; Chon, 1990) and tourists' perception of destination competitiveness (Vilić & Dujaković, 2016). As suggested by Vilić & Dujaković (2016, p. 62), the tourism stakeholders involved in destination management are required to do as follows:

*To increase the level of perceived competitiveness of destinations in the minds of tourists, it is necessary to generate a **serious and attractive***

*tourist offer, which will provide an unforgettable **experience** of high quality from the very beginning of the journey to the very end, filled with wonderful memories that will always remind tourists of the destination they visited and **encourage them to visit it again.***

With this in mind, it is important to consider the integration between the quality of the tourism experience, destination image, tourist loyalty and tourism destination competitiveness in this study.

1.2 RESEARCH ISSUES

Maintaining destination competitiveness is perceived as a fundamental task with continuous challenges facing tourism destinations in today's competitive world market (Enright & Newton, 2005; Zainuddin, Radzi, & Zahari, 2013). Owing to this need, many researchers, policymakers and practitioners have been driven to consider destination competitiveness in sustaining a tourism destination's position in the aggressive market place (Assaker, Hallak, Vinzi, & O'Connor, 2014; Assaf & Josiassen, 2012; Crouch & Ritchie, 2005). From this perspective, the development of destination competitiveness has widely been practiced with different variables including objective measures of success such as the number of tourist arrivals or a gross domestic product, and subjective ones such as the tourism experience or a destination's image. The empirical link between the quality of the tourism experience, Tourism Destination Image (TDI) and tourist loyalty towards Tourism Destination Competitiveness (TDC) should be explored further in order to provide a better understanding of their importance.

In addition, many researchers have neglected the sensitivity of an island destination in destination competitiveness studies (Azzopardi & Nash, 2016; Croes, 2011), therefore this study will fill the gap to give a comprehensive understanding of this type of destination especially for Asian countries. These variables are also interpreted to develop a model of analysis for TDC measured in different experience phases which could enhance the destination competitiveness strategies specifically for Perhentian Island, and potentially be used as the basis for similar strategies in other island destinations.

1.3 RESEARCH AIM AND OBJECTIVES

The aim of this research is to examine the relationship between TDC and other key variables such as the quality of the tourism experience, TDI and tourist loyalty, as well as to develop a theoretical model of destination competitiveness for an island destination based on the tourists' and stakeholders' perspectives of Perhentian Island. This aim is met by addressing the following objectives:

1. To explore destination competitiveness from the perspectives of tourism stakeholders.

This objective identifies the important role of government tourism agencies and stakeholders in creating policies and strategies to enhance the destination competitiveness of Perhentian Island, so as to understand their method to tackle TDC by examining the destination's marketing approach and planning.

2. To understand the visitor demographic and travel profile of Perhentian island.

The understanding of tourist demographic and travel profile can create a good foundation for setting a clear tourism marketing campaign. This is also essential for the stakeholders to identify the tourists' backgrounds for the purpose of market segmentation.

3. To identify the island's competitiveness relative to competing destinations and important factors in determining destination competitiveness for Perhentian Island by tourists and tourism stakeholders.

The determining of TDC attributes for a destination are identified to be different among tourist destinations (Crouch, 2008). Therefore, literatures (see Dwyer et al., 2004; Mazanec, Wöber, & Zins, 2007; Crouch, 2008; Crouch, 2007) identified attributes of competitiveness relevant to specific destinations and their relative importance, performance and priority of the different elements that influence TDC (cited in Azzopardi, 2011). The gap between tourists' perceptions and those of tourism providers can therefore be determined.

4. To investigate the conceptual framework of destination competitiveness and related methodological developments in the

quality of the tourism experience, destination image and tourist loyalty models.

Studies on the connections or linkages between the quality of tourism experience, TDI, TDC and tourist loyalty do not appear to have been specifically undertaken elsewhere. The inclusion of these variables and constructs may provide better insights into the destination competitiveness and thus contribute to the refinement of an TDC overall conceptual framework as well as a measurement scale (Meng, 2006). In the same vein, the analysis of tourist behaviour would provide a better understanding of how the tourists perceive the competitiveness of Perhentian Island and their loyalty to the destination.

1.4 OUTLINE OF THE THESIS

The thesis is organized into nine chapters to explain the research process and sequence presented in the following outline. After the introduction (Chapter 1), the literature review is developed in Chapter 2, which presents the research problem and discusses the literature pertaining to destination competitiveness and its relevant construct for quality of tourism experience, destination image and tourist loyalty. Next, Chapter 3 gives an overview of tourism in Malaysia, particularly the development, performance and direction of the industry in the country. This chapter then proceeds with the discussion of the tourism background of the case study, Perhentian Island. Subsequently, Chapter 4 discusses the methodology and research design applied in this study.

Chapters 5 and 6 present the results of semi-structured interviews conducted with tourism stakeholders to explore destination competitiveness from their marketing perspective and planning. Chapter 7 reports descriptive and inferential quantitative results from the survey of tourists on Perhentian Island. Then, Chapter 8 presents the empirical results of the quantitative analysis to address factors relating to destination competitiveness that were perceived important for Perhentian Island based on the tourism stakeholders and tourists' perspectives. Finally, Chapter 9 draws together the main findings of the research, raising the limitations and future research recommendations as well as underlining managerial and theoretical implications of the study at the end of the chapter.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter aims to reviews the literature relating to the development of the conceptual model proposed in this study, which focuses on the area of Tourism Destination Competitiveness (TDC) with other variables namely, marketing, tourist characteristics, the quality of tourism experience, Tourism Destination Image (TDI) and tourist loyalty. The first section of this chapter (Section 2.2) presents the definition of destination competitiveness. The results of the detailed review conducted to review and report the published literatures on TDC is then presented in Section 2.3. The discussion centres on the trend of TDC studies from the past and recent work with other variables used.

This chapter proceeds with discussion on the models and determinants used for the competitiveness model (Section 2.4 and 2.5). The evaluations describe and contrast the TDC models to develop an in-depth understanding of the concept of competitiveness. On this basis, Section 2.6 identifies the implications of TDC from a marketing perspective through destination management organization, tourism destination resources as well as the demand and supply. This then progresses to other variables proposed and their relationship to TDC, including tourist profile (Section 2.7), destination image (Section 2.8), quality of tourism experience (Section 2.9) and tourist loyalty (Section 2.10).

The final section of the literature review summarises the discussion and clarifies the justification for proposing a model of the relationship between destination competitiveness with the variables mentioned above.

2.2 DEFINITION OF DESTINATION COMPETITIVENESS

The term competitiveness in tourism was first derived from the economics literature based on the concept of competitiveness at the national level. It was established in this field as the benchmark to measure success (Porter, 1990). As defined by Scott and Lodge (1985, p. 3), competitiveness is “*a country’s ability to create, produce, distribute, and/or service products in international trade while earning rising returns on its resources*”. Since then, the importance of competitiveness has become a vital component as tourism is becoming destination oriented (Poon, 1993). This has received interest from governments, professionals and some academics with a principal objective to understand, maintain and improve competitiveness within the literature particularly in tourism (Enright & Newton, 2004). However, there seems to be no consensus on the definition and measurement of destination competitiveness despite numerous attempts among researchers (Croes & Semrad, 2018; Hanafiah, Hemdi & Ahmad, 2016). The reason for this is that the implementation of competitiveness in the context of tourism has resulted in a complex and multifaceted concept (Cracolici & Nijkamp, 2008). It is commonly used in accordance with factors and categories in their unique location (Berdo, 2016). Therefore, researchers have proposed variables related with the term from various definitional elements and perspectives (Abreu-Novais et al., 2015; Heath, 2003). Based on Table 2.1, the definitional statements show a variety of understandings of tourism destination competitiveness.

Table 2.1 - Definitions of destination competitiveness

Authors/Year	Definitions
Reagan administration (1984) in Cho and Moon (1998, p. 12)	<i>“the degree to which it can, under free and fair market condition, produce goods and services that meet the test of international markets while simultaneously expanding the real income of its citizens”</i>
Porter (1990, p. 1)	<i>“a profitable and sustainable position against the forces that determine industry competition”</i>
Aiginger (1996, pp. xiii–xiv)	<i>“A country is said to be competitive if it sells enough products and services, at factor incomes in line with a country’s (current and constantly changing) aspiration level at macro conditions (of the economic and social system) seen as satisfactory by the people”</i>
Crouch and Ritchie (1999, p. 139)	<i>“Destinations must ensure that their overall attractiveness and the integrity of the experiences they deliver to visitors must equal or surpass that of many alternative destinations open to potential visitors”</i>
d’Hautesserre (2000, p. 23)	<i>“the ability of a destination to maintain the market position and share and/ or improve upon them over time”</i>
Hassan (2000, p.239-240)	<i>“ability to create and integrate value added products that sustain resources while maintaining market position relative to other competitors”</i>
Buhalis (2000, p. 106)	<i>“effort and achievement of long-term profitability, above the average of the particular industry within which they operate as well as above alternative investment opportunities in other industries”</i>
Crouch and Ritchie (2000, p. 2)	<i>“what makes a tourism destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations”</i>
Dwyer et al. (2002, p. 9)	<i>“competitiveness is a general concept that encompasses price differentials coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of a destination”</i>

Authors/Year	Definitions
Heath (2003, p. 9)	<i>“includes objectively measured variables such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry, as well as subjectively measured variables, such as “richness of culture and heritage,” “quality of the tourism experience,” etc”</i>
Dwyer and Kim (2003, p. 374)	<i>“linked to the ability of a destination to deliver goods and services that perform better than other destinations on those aspects of the tourism experience considered to be important by tourists”</i>
Enright and Newton (2004, p. 778)	<i>“a destination is competitive if it can attract and satisfy potential tourists and this competitiveness is determined both by tourism-specific factors and by a much wider range of factors that influence the tourism service providers”</i>
Bristow (2005, p. 129)	<i>“the relative competitive position (in terms of profits and growth) of a nation’s tourism industry in the global market, including developed and developing countries, which could therefore increase the real income of its citizens and improve its standard of living”</i>
Bahar and Kozak (2007, p. 62)	<i>“the most competitive destination in the long term is the one which creates well-being for its residents”</i>
Kayar and Kozak (2010, p. 4)	<i>“the set of institutions, policies, and factors that determine the level of productivity of a country involving static and dynamic components”</i>
Azzopardi (2011, p. 22)	<i>“the ability of the destination to identify and exploit comparative advantages and create and enhance competitive advantages to attract visitors to a destination by offering them a unique overall experience for a fair price that satisfies the profit requirement of the industry and its constituent elements, as well as the economic prosperity objective of the residents, without jeopardizing the inalienable aspirations of future generations”</i>
Croes (2011, p. 440)	<i>“competitiveness is related to the ability of the destination to create and nurture a high-quality product”</i>

Source: Adapted from Abreu-Novais et al. (2015); Croes and Kubickova (2016)

Generally, destination competitiveness is defined as having superiority over that of another destination in market share, tourist arrivals, profits or success. For instance, competitiveness is defined as the destination’s efficiency in meeting its long-term target either at the international or regional level (De Keyser & Vanhove, 1994). The importance of long-term competitiveness allows the destination to achieve higher profitability and the lowest social cost without jeopardizing the condition of the environment and resources. As highlighted by Croes (2011), the increase in the definitions constructed is due to (1) the

importance of the tourism industry in global, national, and regional economies, (2) the increase in competition among destinations and (3) the long-term tourism benefit being still vague compared to short run benefits that seem clear and achievable. Ultimately, it is essential that the definition should be incorporated with the meaning of the research purpose.

2.3 DETAILED REVIEW OF TOURISM DESTINATION COMPETITIVENESS

A detailed literature review has been used to draw an overall conclusion of the understanding of TDC and its relationship with other variables such as the quality of tourism experience, TDI, and tourist loyalty. This is necessary to consider the substantial number of studies to support this proposed research examining the connections between the other elements with TDC.

As the main focus of this study is TDC, the first term explored was 'Tourism Destination Competitiveness'. The database searched used was Google Scholar, which allowed an easy access web search for diverse scholarly literature from an international coverage of journals and academic resources. The search started with the latest research from 2018 to identify the recent implementation of TDC in the literatures. This allowed the researcher to highlight the pattern of the literature in TDC with the current trend of tourism practices. The next stage was to select the studies that define the criteria of this proposed study. In order to filter out research papers that did not fit the search criteria, an analysis of titles and abstracts was conducted before each paper was read and included in review.

Users are directed to these sources from publishers' databases such as Taylor & Francis, Sage, Emerald and Science Direct. According to Table 2.2, the publishers that were used for the detailed review produced a range of different levels of journals, including those that are considered 'top tier' in tourism and hospitality globally, for instance, *Tourism Management*, *Journal of Travel Research* and *Annals of Tourism Research* (SCImago, 2018). Overall, 55 studies were retrieved that were used in this TDC detailed review.

Table 2.2 - Sample research articles by publication source between the years 1983 and 2018

Journals	Number of Studies Used in the Detailed Review
Tourism Management	8
Current Issues in Tourism	6
Journal of Travel Research	7
Procedia - Social and Behavioural Sciences	3
Journal of Sustainable Tourism	3
Tourism Management Perspectives	2
Tourism & Management Studies	2
Journal of Travel & Tourism Marketing	2
Journal of Vacation Marketing	2
European Journal of Marketing	2
Journal of Cleaner Production	2
Journal of Destination Marketing & Management	2
Tourism Review	1
Tourism and Hospitality Research	1
Annals of Tourism Research	1
Ocean & Coastal Management	1
Tourism Analysis	1
The Tourist Review	1
International Journal of Business and Management	1
Scandinavian Journal of Hospitality and Tourism	1
International Journal of Hospitality & Tourism Administration	1
International Business & Economics Research Journal	1
International Journal Services and Operations Management	1
Tourism and Hospitality Planning & Development	1
International Journal of Hospitality Management	1
Operations Research Society of Eastern Africa (ORSEA) Journal	1
Total	55

Source: Author

The chosen literatures were systematically reviewed and coded into the detailed review table by the following categories: Author; Year; Tourist Characteristics; Marketing Perspective; Tourism Destination Image (TDI); Quality of Tourism Experience; Tourism Destination Competitiveness (TDC); Tourist Loyalty; Other Variables; Location; Sample Size; Respondent; Secondary data; Quantitative;

Qualitative; and Mixed Method. These categories were selected to allow the researcher to gain a comprehensive review of the past studies on the specific topic of TDC, which will be the foundation of this study with the variables of interest.

The detailed review summarises the publications on TDC from 1983 to 2018. According to past researches, competitiveness is often incorporated with the concepts of marketing planning and competitive development strategies. Therefore, in the study of Haahti and Yavas (1983), competitiveness was regarded as the position of Finland and selected European countries as the choice of destination from tourists' perspective. Tourism marketers and public and private tourism organizations are able to then use the insights to design marketing strategies. Even though the understanding of destination competitiveness was coined in 1983 the ground-breaking work in the context of TDC was produced by Crouch and Ritchie (1999) (Croes, 2011; Mazanec et al., 2007). Nevertheless, the complexity of the term 'destination competitiveness' has resulted in an extensive and still growing number of studies looking into destination competitiveness (Abreu-Novais et al., 2015). Hence, this explains the growth in the number of studies on TDC.

As shown in the detailed review results from Table 2.3, overall 55 TDC studies were obtained for different research contexts. The table gives the first overview of the consideration of different factors in previous studies in the literature. In terms of marketing perspectives, 12 studies on TDC focus on the fundamental role of marketing to attain greater precision in developing a destination's tourism strategies. Chen et al. (2016) argue that appropriate marketing strategies are vital to enhance competitiveness to avoid the risks associated with the lack of management and poor information systems, which will obscure the distinctive tourism offer of a destination. The position of marketing will be analysed as a significant variable in this study in gaining insights to assist in better approaches to gain TDC.

In order to further enhance the marketing strategies, the nature of competitiveness as a multi-dimensional concept relatively requires studies to explore the segmentation of visitors. The interrelationships between visitor

preferences and destination attributes provide policy-makers with the necessary information to make better decision-making for the tourism industry (Esparon et al., 2015). Based on Table 2.3, there are 21 studies that examined tourist profiles among the 55 studies on TDC.

The characteristics of tourists can be used to enhance the tourists' experiences by fulfilling their preferences and demands. This is through incorporating an innovative tourism focus and the aspirations of visitors, particularly experiences, for the tourism destination to gain a competitive advantage (Fernando, 2015). Therefore, this study proposed a third variable, which focuses on the quality of tourism experience. Table 2.3 shows that the variable quality of tourism experience has only been considered in three of the 55 TDC studies. This shows that even though the concept of 'tourism experience' is widely examined in the tourism literature and has been used implicitly or tacitly in meaning (Jennings & Nickerson, 2006), there are only few studies may have considered it in the destination competitiveness literature. Similarly, little attention has been given to the variables of Tourism Destination Image (TDI), seven studies, and tourist loyalty has three studies. The importance of the two variables can create a competitive strategy for the purpose of promoting a tourism destination. As stated by Qu, Kim and Im (2011), overall destination image influences tourist behaviour. It is then vital for a TDC study to incorporate these variables to identify destination competitiveness.

Table 2.3 - Results summarisation of the detailed review between the years 1983 and 2018

Author	Year	Tourism Destination Competitiveness (TDC)	Marketing Perspective	Tourist Characteristics	Quality of Tourism Experience	Tourism Destination Image (TDI)	Tourist Loyalty
Kovačević, Kovačević, Stankov, Dragičević, and Miletić	2018	X					
Blanco-Cerradelo, Gueimonde-Canto, Fraiz-Brea, and Diéguez-Castrillón	2018	X					
Armenski, Dwyer, and Pavluković	2018	X	X				
Lo, Chin and Law	2017	X		X			
Jani and Minde	2017	X		X			
Chen, Chen, Lee, and Tsai,	2016	X		X			
Zehrer, Smeral, and Hallmann	2016	X					
Cucculelli and Goffi	2016	X	X				
Azzopardi and Nash	2016	X	X				
Ayikoru	2015	X					
Esparon, Stoeckl, Farr, and Larson	2015	X		X			
Vila, Darcy, and González	2015	X			X	X	
Wong	2015	X		X			X
Zhou, Maumbe, Deng, and Selin	2015	X					
Chin, Haddock-Fraser, and Hampton	2015	X					
Zehrer and Hallmann	2016	X					
Fernando	2015	X					
Martínez, Galván, and Lafuente	2014	X	X				

Author	Year	Tourism Destination Competitiveness (TDC)	Marketing Perspective	Tourist Characteristics	Quality of Tourism Experience	Tourism Destination Image (TDI)	Tourist Loyalty
Medina-Muñoz and Medina-Muñoz	2014	X		X			
Pansiri	2014	X		X			
Chin, Lo, Songan, and Nair	2014	X	X				
Stankova	2014	X		X			
Dwyer, Dragičević, Armenski, Mihalič, and Knežević Cvelbar	2014	X	X				
Kim	2014	X		X			
Hallmann, Müller, & Feiler	2014	X		X			
Komppula	2014	X					
Santos, Ferreira, and Costa	2014	X		X			
Valls, Sureda, and Valls-Tuñon	2014	X					
Assaker et al.	2014	X					
Mulec and Wise	2013	X	X	X	X	X	
Zainuddin et al.	2013	X	X				
Andrades-Caldito, Sánchez-Rivero, and Pulido-Fernández	2013	X				X	
Caber, Albayrak & Matzler	2012	X		X			
Chen, Chen, and Lee	2011	X		X			
Crouch	2011	X					
Croes	2011	X					
Pike and Mason	2011	X	X	X		X	

Author	Year	Tourism Destination Competitiveness (TDC)	Marketing Perspective	Tourist Characteristics	Quality of Tourism Experience	Tourism Destination Image (TDI)	Tourist Loyalty
Mechinda, Serirat, Popaijit, Lertwannawit, and Anuwichanont	2010	X	X	X		X	X
Eraqi	2009	X					
Franch, Martini, Buffa, and Parisi	2008	X					
Cracolici and Nijkamp	2008	X				X	
Gomezelj and Mihalič	2008	X					
Bahar and Kozak	2007	X			X		
Hu and Wall	2005	X				X	
Enright and Newton	2004	X	X				
Hudson, Ritchie, and Timur	2004	X	X				
Dwyer et al.	2004	X					
Go and Govers	2000	X		X			
Botha, Crompton, and Kim	1999	X					
Faulkner, Oppermann, and Fredline	1999	X					
Kozak and Rimmington	1999	X		X			
De Keyser and Vanhove	1994	X		X			
Javalgi, Thomas, and Rao	1992	X		X			
Haahti	1986	X		X			
Haahti and Yavas	1983	X					
	Total	55	12	21	3	7	2

Source: Author

2.3.1 OTHER VARIABLES

The detailed review findings retrieved various other explanatory variables within the destination competitiveness literatures. Different studies have employed different perspectives in identifying competitiveness based on differing research interests. Table 2.4 shows the list of other variables incorporated in the TDC studies according to the year and authors. Considering the results from the detailed review, it is therefore useful to start the literature section with a cohesive and comprehensive understanding of TDC model as it provides the key platform for this study.

Table 2.4 - List of other variables used for TDC research

	Author	Year	Other variables
1	Chen et al.	2016	Service performance
2	Azzopardi and Nash	2016	Competitive & Comparative Advantages (COCA)
3	Ayikoru	2015	Competitive challenges
4	Esparon et al.	2015	Environmental values
5	Wong	2015	Customer-based brand equity (CBBE)
6	Chin et al.	2015	Tourism cluster & socioeconomic prosperity
7	Zehrer and Hallmann	2016	Tourism policy
8	Fernando	2015	Comparative Economic Approach
9	Martínez et al.	2014	Public policy
10	Medina-Muñoz and Medina-Muñoz	2014	Demand & perception
11	Pansiri	2014	Tourist motivation
12	Chin et al.	2014	Environmental construct
13	Kim	2014	Memorable tourism experiences
14	Hallmann et al.	2014	Tourist satisfaction
15	Komppula	2014	Destination Management Organization (DMO)
16	Santos et al.	2014	Mature tourism destinations
17	Valls et al.	2014	Holiday format
18	Zainuddin et al.	2013	Key success factors & tourist involvement
19	Chen et al.	2011	Customer satisfaction & service performance
20	Pike and Mason	2011	Brand positioning
21	Eraqi	2009	Integrated Quality Management (IQM)
22	Franch et al.	2008	Tourist motivation
23	Hu and Wall	2005	Environmental management
24	Go and Govers	2000	Quality management
25	Botha et al.	1999	Push & pull factors

Source: Author

2.4 TOURISM DESTINATION COMPETITIVENESS MODEL

Based on the detailed review, it is possible to see that researchers have endeavoured to study the importance of competitiveness of a destination. In order to achieve this, different TDC models have been previously used to analyse destinations. A synthesis of previous literatures identified TDC as having two main internal drivers that affect destination competitiveness, and these are internal management and destination resources.

One of the earliest important contributions on TDC focused on the management context and this can be seen in the diamond model of Porter (1990). This model shown in Figure 2.1 was established to investigate industry competitiveness at the national level and comprises comprehensive attributes of: (a) factor conditions – indicating the supply of skilled labour or infrastructure, (b) demand conditions, (c) related and supporting industries, and (d) firm strategy, structure, and rivalry.

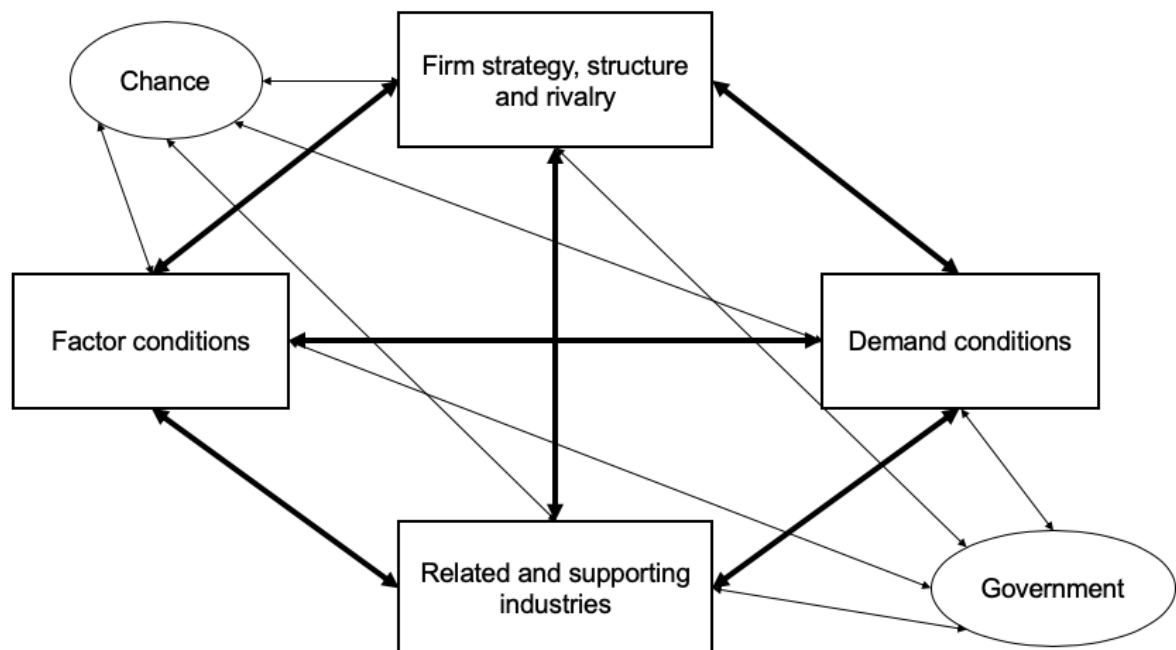


Figure 2.1 - The diamond model

Source: Porter (1990)

The diamond model depicted in Figure 2.1 emphasises the industries that influence the elements of national advantage (Crouch & Ritchie, 1999) where they are applied to highly competitive destinations with unique elements as a

whole. Given the dynamics of the tourism sector and the particularities of certain destinations, Porter's (1990) model has been adapted and extended in many destination competitiveness studies in recent decades. This has heightened the importance of Porter's (1990) diamond model in understanding the basic concept of destination competitiveness.

For instance, Chon and Mayer (1995) extended the Porter diamond model into five main factors of appeal, management, organization, information and efficiency. These additions were made to overcome the tourism-specific issues such as intangibility of the tourism product, renewability of tourism resources and specific externalities in analysing the destination competitiveness with a focus on consumers and products (Hudson et al., 2004). The same justifications appear to be important in the similar theoretical context of measuring the competitiveness of South Australia from the perspectives of travel agents – “who are traditionally information gatekeepers and a crucial component of the distribution channel” (Faulkner et al., 1999, p. 125). In particular, Faulkner et al.'s (1999) model focuses on the appeal dimension only as it represents the product or service substitutions, which are crucial for the competitive analysis in their context.

Within the same management perspective but with a wider spectrum of tourism stakeholders, Evans, Fox and Johnson (1995) applied three organizational strategies proposed by Porter (1990), which are cost leadership strategy, differentiation strategy and focus strategy. It is claimed that the model provides a conceptual framework for destination managers to develop a strategic competitive advantage (Evans et al., 1995). Nonetheless, Evans et al. (1995) argue that the application of the model can be challenging given the distinctive characteristics of tourist destinations as not all of them share the same strategies in providing consumers with quality travel experiences. This may explain the focus undertaken by many studies looking into the perspective of both management and resources as the internal factors driving TDC.

Such studies include the model by Enright, Scott and Dodwell (1997) examining the gap between the industrial situation and the key success factors that need to be achieved in order for a destination to become competitive. Through their suggestion of a framework for industry competitiveness akin to the Porter

diamond model, it is important to note that the competitiveness in this context is driven by six separate categories of (a) inputs, (b) industrial and consumer demand, (c) industrial and regional clustering, (d) inter-firm competition and cooperation, (e) internal organization and strategy of firms, and (f) institutions and social structures and agendas. Figure 2.2 depicts a symmetrical relationship between these six categories of competitiveness that can be further classified into inputs and demand, where they were arranged opposite one another. According to Luk (1997), the model illustrated in Figure 2.2 reflects the growth of business establishments and addresses a number of the shortcomings of Porter's diamond model. For example, unlike Porter's diamond model, this model took into consideration multi-national corporations (MNCs) to understand the two-way flows of foreign direct investment and to ultimately identify a set of attractive features for a destination.

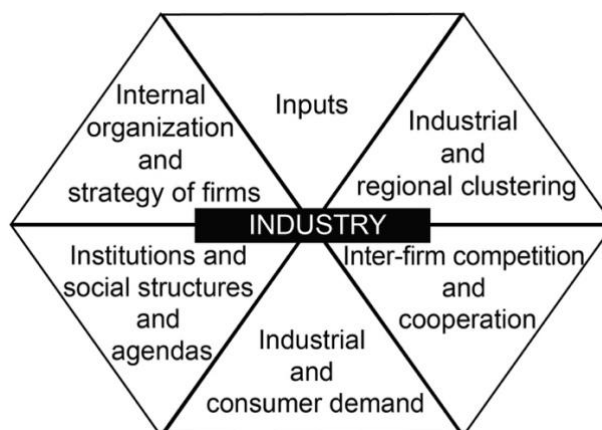


Figure 2.2 - The industry competitiveness framework

Source: Luk (1997)

In another example, De Keyser and Vanhove (1994) suggested five different factors that determine destination competitiveness: tourist policies, macro-economics, supply, transport and demand factors. The model was later adopted by studies of Slovenian tourism competitiveness (Gomezelj & Mihalič, 2008; Sirse & Mihalic, 1999). Ritchie and Crouch (1999) produced an attempt to create a model that illustrates the vital links between demand and supply using Porter's (1990) model as a premise. This is to facilitate the supply development with information required to access the products and services according to the demand (Ritchie & Crouch, 2003). The information received is essential to allow the destination to balance supply and demand effectively. Initially, the conceptual

model consisted of 19 attributes and was based around four groups of factors: core resources and attractors, supporting factors and resources, destination management, and qualifying determinants. Then, Ritchie and Crouch (2003), expanded the original conceptual model by adding the additional factor of destination policy, planning and development (DPDD). The inclusion of DPDD contributes to the achievement of a destination by undergoing an intellectual process from the information, judgement and monitoring to make macro-level decisions that make the destination appealing to tourists.

The new model consists of 36 attributes grouped under the five categories. Various indicators are brought together in these five dimensions to measure the demand side (customer) and the supply side (industry) of a destination. Specifically, Figure 2.3 shows the five dimensions, which comprise: (1) *Supporting factors and resources* which consist of the factors of infrastructure, accessibility, facilitating resources, hospitality, enterprises, and political will; (2) *Core resources and attractors*, including the concepts of physiography and climate, culture and history, mix of activities, special events, entertainment, superstructure, and market ties; (3) *Destination management*, encompassing organization, marketing, quality of service/experience, information/research, human resource management, finance and venture capital, visitor management, resource stewardship, and crisis management; (4) *Destination policy, planning and development* with the features of definition, philosophy/values, vision, positioning/branding, development, competitive/collaborative analysis, monitoring and evaluation, and audit; and finally (5) *Qualifying and amplifying elements*, which are location, safety/security, cost/value, interdependencies, awareness/ image, and carrying capacities (Crouch, 2011).

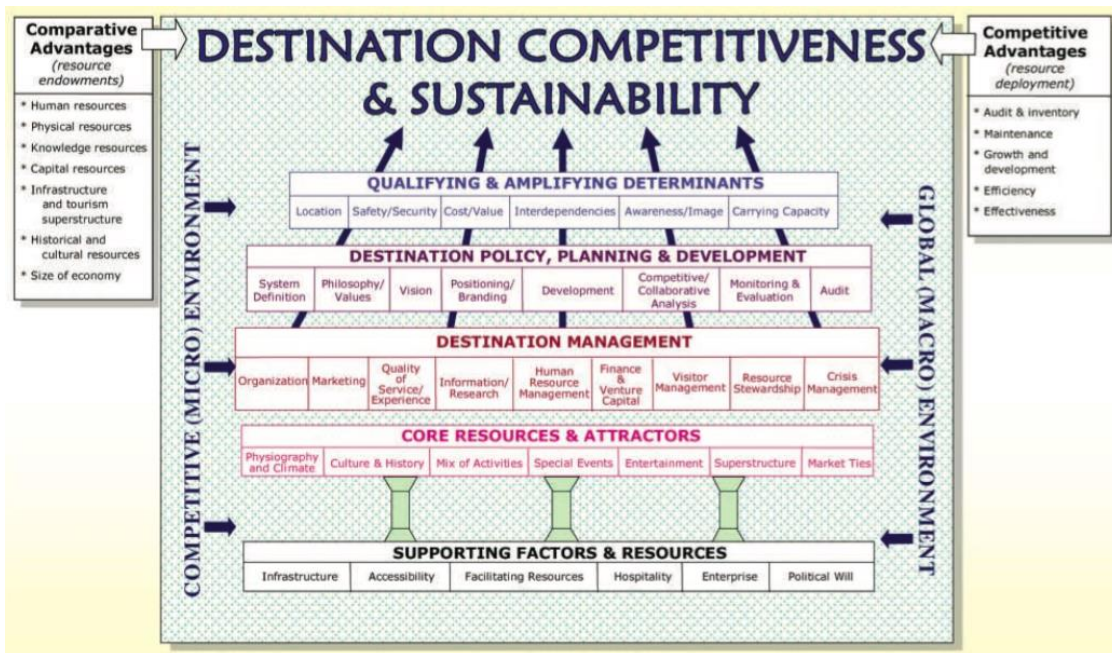


Figure 2.3 - Crouch and Ritchie destination competitiveness model

Source: Crouch (2011)

Drawing on Ritchie and Crouch's (2003) comprehensive model, Dwyer and Kim (2003) developed their own destination competitiveness model, where they propose seven main components of destination competitiveness with a few modifications, which include endowed resources, created resources, supporting factors, destination management, situational conditions, demand factors, and market performance (Figure 2.4). The reason for this proposed model is to emphasise not only demand conditions to determine destination competitiveness but also to recognise competitiveness as an objective towards regional or national economic prosperity. The fundamental factor is the integration between national and firm competitiveness in the competitive attributes. The model was also adopted by Dwyer et al. (2003) to measure the level of competitiveness of Australia as a tourist destination.

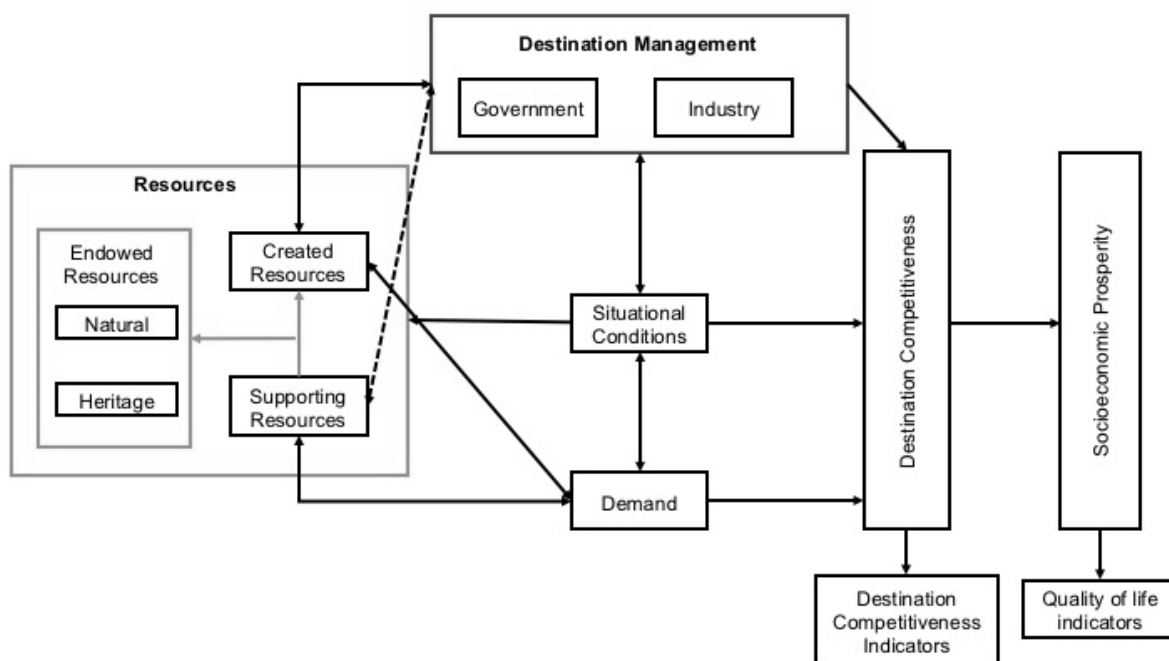


Figure 2.4 - Dwyer and Kim destination competitiveness model

Source: Dwyer & Kim (2003)

On a similar basis, Heath (2003) proposed fitting an adequate model specifically for the Southern African context. The model incorporates key elements of destination competitiveness proposed by Ritchie and Crouch (2000) and Dwyer and Kim (2003) to overcome the key Southern African challenge, which is poverty alleviation. The core indicators used are an attempt to tackle issues better compared to the existing models. For this reason, Meng (2006) constructed a model of TDC by incorporating quality of tourism experience, which includes the experience in pre-trip planning, en-route, on-site, and after-trip (reflection) phases as well as tourist involvement as an important dimension of consumer behaviour. The model's unique addition of quality of tourism experience is suggested to portray a destination as superior among the competitors.

There are also studies conducted to identify destination competitiveness based on the type of tourist destination. For instance, Azzopardi (2011) established a TDC model focusing on Malta or any other similar small island destinations. The competitiveness factors are categorised into core tourism resources and attributes, and core destination business and management factors. This is similar looking at the type of destination by Tseng and Chen (2013), who constructed a destination competitiveness evaluation model for city destinations in Taiwan. The

study developed 27 attributes from five main categories: core resources and attractions, tourists' service facilities, supporting factors, destination management, and situational conditions. In spite of providing a better understanding of TDC by focusing on the nature of the destination such as islands and cities, it would be challenging to use this model and generalize it into different types of destinations.

In order to unravel this issue, the World Economic Forum (WEF) in 2004 used a competitive index to evaluate the destination competitiveness of economies around the world through the engagement from the key industry players (Crouch, 2007). The index is a set of 14 categories divided into three sub-groups, which are (a) the travel and tourism regulatory framework, (b) travel and tourism business environment and infrastructure, and (c) travel and tourism human, cultural and natural resources. Nonetheless, the Travel and Tourism Competitiveness Index (T&T) practices developed by the WEF are considered as the most controversial (Vila et al., 2015). The tourism receipts per capita and quality of life may not necessarily be strong in ranking the countries according to their competitiveness (Crotti & Misrahi, 2017). Lall's study (2001) evaluated the WEF index and argues that assumptions on market efficiency and friendly policy intervention were not met. Moreover, the definition is considered broad and lacks direction.

On the whole, the model by Ritchie and Crouch (2003) is considered to be the most comprehensive, rigorous and complex (Tsai, Song & Wong, 2009; Zehrer et al., 2016). This is due to the addition of generic business-related factors from the supporting factors, destination management, qualifying determinants, and destination policy, planning, and development, to the tourism-specific factors captured in the core resources and attractors (Enright & Newton, 2005). The ability of the model is also that it includes all the important tourism competitiveness features, which strengthens its implementation in a destination (Mazanec et al., 2007). Apart from that, the Integrated Model by Dwyer and Kim (2003) is also considered popular and widely used. The difference between the two models is that Dwyer and Kim (2003) classified tourist policy, planning and destination development as a new common management category.

2.5 DETERMINANTS OF TOURISM DESTINATION COMPETITIVENESS

From the detailed review results, the essential purpose of destination competitiveness is to create the distinctiveness and uniqueness of a destination as a drive to attract tourists to visit or revisit a destination. The approach to addressing this issue of destination competitiveness is first to distinguish the important attributes or elements of competitive performance (De Keyser & Vanhove, 1994; Fernando, 2015). As stated by Woodside and Lysonski (1989), destinations aim to increase their profitability and performance by attracting more visitors as they are considered to be the main contributors to the destination's overall competitiveness. Hence, it is then vital for tourism destinations to determine their competitiveness attributes that attract these tourists (Dwyer, Cvelbar, Edwards & Mihalic, 2012; Dwyer & Kim, 2003; Wong, 2015). Researchers have developed destination competitiveness models based on the various roles of destination attributes (Crouch & Ritchie, 1999; Dwyer & Kim, 2003; Enright & Newton, 2004; Ritchie & Crouch, 2003). These competitiveness frameworks are investigated in various attributes such as destination marketing (Buhalis, 2000); quality management (Go & Govers, 2000); infrastructure (Dwyer et al., 2003; Enright & Newton, 2005); environment (Hassan, 2000; Mihalič, 2000); culture, tradition, and history (Heath, 2003; Kozak & Rimmington, 1999); price competitiveness (Dwyer et al., 2000; Gooroochurn & Sugiyarto, 2005); competitive position (Bahar & Kozak, 2007); destination image (Andrades-Caldito et al., 2013); destination policy and planning (Crouch, 2011), as well as the competitive positions of specific destinations (Chon & Mayer, 1995; Enright & Newton, 2005; Hudson et al., 2004).

It is worth mentioning that these attributes strengthen the findings of tourism competitiveness through the structured TDC models. Nevertheless, due to destinations' different characteristics, some TDC models are considered irrelevant (Croes, 2011), which also leads to concern about their empirical validation (Crouch & Ritchie, 1999; Dwyer et al., 2004) as well as the competitiveness measurement itself (Mazanec et al., 2007). This explains the increased interest in TDC to give a more comprehensive foundation to understand and measure competitiveness in different research settings. Thus, determinants or variables are added appropriately in attempt to expand competitive measurement to specific destinations (Crouch, 2007, Dwyer et al.,

2004; Enright & Newton, 2005; Gomezelj & Mihalič, 2008; Hudson et al., 2004). This is in line with Dwyer and Kim (2003), who suggest that the indicators for competitiveness are not rigidly fixed to one unique set. Furthermore, it is an ongoing process for future researchers to develop new indicators for specific countries and situations. For this reason, Crouch (2008) emphasises that competitiveness of a destination is measured differently according to its attributes in determining TDC. The different nature of every destination results in varying sets of destination competitiveness measures (Fernando, 2015; Fernando & Long, 2012; Omerzel, 2006). Thus, there is no specific rule of thumb in measuring competitiveness. However, the typical measures consist of objective measures (e.g. number of visitor arrivals, market share, employment, tourism income) and subjective measures (e.g. climate, environment and scenic beauty, attractiveness, heritage and cultural image) (Omerzel, 2006). Apart from that, the indicators of destination competitiveness could be varied depending on the tourism product offered and the tourist market accessed by the destination. Therefore, the need to compare various tourist products and markets between one destination's competitiveness and another is imperative (Mazanec et al., 2007). On the other hand, Kozak (2002) suggests that destination competitiveness is indicative of destination management and strategies, situational and demand conditions, as well as tourism destination resources. These elements vary depending on the scale contexts of regional, national, local and central government (Pearce, 2001).

Some researchers have implemented the concept of specific types of tourism destination in measuring destination competitiveness. Thus, the attributes used are specific to a destination and may not be applicable for other types of destinations. For instance, the study by Go and Govers (2000) proposes seven attributes to indicate destination competitiveness in the context of the convention sector, which are facilities, accessibility, quality of service, overall affordability, location image, climate and environment, and attractiveness.

Ritchie and Crouch's model (Crouch & Ritchie, 1999; Ritchie & Crouch, 2003) and other related studies such as that by Dwyer and Kim (2003) proposed several determinants to indicate destination competitiveness (See Table 2.5). Later Dwyer et al. (2004) applied factor analysis through surveying tourism industry

stakeholders in Australia and Korea with a total of 83 composite indicators presented in the survey; but only 12 factors were revealed as being important. These factors are destination management, government commitment, quality service, efficient public service, E-business, visa requirements, nature-based and other resources, heritage resources, tourism shopping, location and access, night life, and amusement parks. Meanwhile, from the perspective of comparative and competitive advantage, Pike (2004) established a set of indicators to measure destination competitiveness related to Destination Management Organizations (DMO). As shown in Table 2.5, there is a range of attributes that determine destination competitiveness.

Table 2.5 - List of attributes to measure TDC

Attributes	Descriptions
Endowed resources	Natural, cultural, historical resources
Created resources	Infrastructure, activities, shopping, entertainment, festival, events
Supporting factors	General infrastructure, quality of service, accessibility, hospitality, market ties
Destination management	Management organizations, marketing, policy, HR, environmental management
Situational conditions	Micro environment, location, global environment, price, safety/security
Market performance	Visitor arrivals, expenditure, contribution to economy, investment, price, government support, overnight stay, market share and export
Tourist behaviour	Tourist satisfaction, tourist loyalty and repeat visits
Natural resources	Location, landscape features and climate
Cultural resources	History, language, cuisine, music, arts & crafts, traditions and customs
Human resources	Skills and availability of the region's labour force; industrial relations; industry service standards; and attitudes of locals
Goodwill resources	Traveller's ancestral links to the destination; friends and/or relatives; novelty or fashionability of the destination; level of previous visitation and satisfaction
Developed resources	Accessibility, infrastructure, and the scale, range and capacity of man-made attractions and other superstructures
Financial resources	Size and certainty of the DMO budget; private sector marketing resources; influence on government fiscal policy such as taxation, investment incentives and capital expenditure on infrastructure developments; size of the local economy; access to capital for product

Attributes	Descriptions
Legal resources	Brand trademarks, licenses and visa policies
Organization resources	Governance structure and policies; staffing levels, training, experience, skills and retention; organizational culture; innovation; technology; and flexibility
Information resources	Marketing information system
Relationship resources	Internal/external industry integration and alliances; distribution; stakeholder co-operation; and political influence
Implementation resources	Sustainable tourism development planning; brand development, positioning and promotion; ease of making reservations; consistency of stakeholders' delivery

Source: Meng (2006)

Subsequently, the attributes derived in the literature from the detailed review are classified into Ritchie and Crouch's as well as Pike's set of indicators. The selected studies fit the criteria for identifying the use of attributes based on the set of indicators used in their studies. Table 2.6 depicts a pattern whereby Ritchie and Crouch's set of indicators with 105 recorded is the most commonly used in the destination competitiveness research compared to that of Pike's. This explains that destination competitiveness measured from the perspective of tourists rather than stakeholders received greater attention.

Table 2.6 - List of attributes used in selected TDC studies from the detailed review

Authors		Attributes														Total				
		Endowed resources	Created resources	Supporting factors	Destination management	Situational conditions	Market performance	Tourist behaviour	Natural resources	Cultural resources	Human resources	Goodwill resources	Developed resources	Financial resources	Legal resources		Organization resources	Information resources	Relationship resources	Implementation resources
		Ritchie & Crouch (1999)						Pike (2004)												
1	Chen et al. (2016)	X	X	X																3
2	Zehrer et al. (2016)	X	X	X	X	X													X	6
3	Cucculelli and Goffi (2016)	X	X		X	X	X	X		X									X	8
4	Azzopardi and Nash (2016)	X	X		X	X			X	X		X						X	X	9
5	Esparon et al. (2015)	X			X						X									3
6	Vila et al. (2015)	X	X	X	X	X														5
7	Wong (2015)																		X	1
8	Zhou et al. (2015)	X	X	X																3
9	Zehrer and Hallmann (2015)				X															1
10	Fernando (2015)					X														1
11	Martínez et al. (2014)				X												X			2
12	Pansiri (2014)	X	X	X	X	X														5
13	Chin et al. (2014)	X		X	X				X											4
14	Hallmann et al. (2014)	X	X	X	X	X														5
15	Kompula (2014)				X															1
16	Santos et al. (2014)	X		X	X															3
17	Andrades-Caldito et al. (2013)	X	X		X	X														4

Authors		Attributes																Total		
		Endowed resources	Created resources	Supporting factors	Destination management	Situational conditions	Market performance	Tourist behaviour	Natural resources	Cultural resources	Human resources	Goodwill resources	Developed resources	Financial resources	Legal resources	Organization resources	Information resources		Relationship resources	Implementation resources
		← Ritchie & Crouch' (1999)						→ Pike (2004)												
18	Assaker et al. (2014)			X	X							X								3
19	Mulec and Wise (2013)		X	X	X	X			X											5
20	Chen et al. (2011)	X	X																	2
21	Crouch (2011)	X	X	X	X															4
22	Mechinda et al. (2010)	X	X		X	X														4
23	Franch et al. (2008)	X																		1
24	Cracolici and Nijkamp (2008)	X	X	X																3
25	Gomezelj and Mihalič (2008)	X	X	X	X	X														5
26	Bahar and Kozak (2007)	X	X	X																3
27	Enright and Newton (2004)	X	X	X						X		X	X	X	X	X	X	X	X	11
28	Hudson et al. (2004)	X	X	X	X	X	X													6
29	Dwyer et al. (2004)	X	X	X	X	X			X											6
30	De Keyser and Vanhove (1994)			X		X	X			X			X							5
31	Kozak and Rimmington (1999)	X	X	X	X	X	X													6
32	Javalgi et al. (1992)	X				X														2
33	Haahti and Yavas (1983)	X	X																	2
Total		25	21	19	20	16	4	1	5	0	4	1	3	2	1	1	1	3	5	
Sub-total by set of indicators		105						27												

Source: Based on Gallarza, Saura and García (2002)

The different attributes represent an amalgam of the distinctive elements of a destination to attract tourists (Lew, 1987). This is because every tourist perceives their selection of a destination to travel differently depending on the benefits received. In other words, tourists choose the attributes that they find important about a destination (Turner & Reisinger, 1999). Even though some determinants of TDC from different studies share several common elements in different locations, the attributes chosen are to ensure a good fit with the context of the destination selected for the measuring of destination competitiveness. Thus, this explains the various attributes encountered from the findings of the detailed review. The competitive advantages and disadvantages of the destination can be identified comprehensively through the analysis of the attributes. Thus, it is possible for a competitive position can be achieved using a specific method.

2.6 MARKETING PERSPECTIVE

The effort to develop a theoretical and conceptual platform for analysing tourism competitiveness started in the 1990s (Azzopardi & Nash, 2016). These studies are an extension of destination attractiveness, which is then associated with tourism competitiveness strategies (Hassan, 2000; Pearce, 1997; Poon, 1993) and general market competitiveness (Narasimha, 2000; Porter, 1990; Waheeduzzaman & Ryans, 1996). Among the studies, Ritchie and Crouch (2003) suggest a multifaceted framework on the common distinction of the theories between comparative advantage (resources available to a destination) and competitive advantage (effective usage of the resources) to contribute to the understanding of the complex and interrelated nature of the tourism industry (as cited in Hudson et al., 2004). Despite the fact that comparative advantage is important for a firm's competitiveness, competitive advantage is also highly relevant for long-term success. For this reason, it is a fundamental task for destination management to understand TDC in a saturated market in order to sustain a destination's competitiveness (Zhou et al., 2015). A destination's management is suggested to sustain the destination's competitive advantage particularly from the resources that are valuable, rare, irreplaceable or inimitable, as they are useful in strengthening and developing competitiveness (Barney, 1991). This allows long term benefits for the destination when it focuses more on the attributes that are impactful on the important resources which rapidly change. Thus, the destination that is capable of maintaining a competitive advantage

among other competencies is inclined towards innovation practices in competitive strategizing as well as attracting tourists (Fernando, 2015).

According to a study of determining competitive strategies for regional competitiveness in Sri Lankan tourism by Fernando (2015), it was revealed that the government plays a vital role in creating policies to enhance the competitive strategies. The strategies are the capability of the destination's marketing methods, which emphasises the preferences and tastes of the tourism product consistently in creative and innovative approaches instead of implementing price competitiveness. Similarly, a study conducted by Martínez et al. (2014) revealed that the governments holds the key for a destination to be successful by implementing proper social and economic practices in the tourism sector and innovatively creating or adding value to tourism goods and services. A common understanding of the needs of hosts and tourists from government is necessary to establish appropriate guidelines and strategies for the destination. Tourism development as a whole may be prioritized by a government as the industry that contributes significantly to a country's economic growth. Thus, substantial investment has been made towards this particular industry to ensure that destinations' natural, physical and social assets are constantly improved and maintained, particularly for a destination's competitiveness (Chandler et al., 2014). In fact, the majority of research on destination competitiveness discriminate the attributes that show vital relationships between the destination and the organizations who handle the marketing and manage the destinations (Line & Runyan, 2014). This has resulted in a lack of attention towards the strategic management perspectives on the resources to create an overall structure of a destination in achieving the competitive advantage. Particularly when all tourism destinations experience the market maturity stage, which leads to a decline in visitors. The Tourism Area Life Cycle (TALC) model by Butler (1980) identified the growth pattern that have reached 'maturity' as the stagnation stage. In order to overcome this, it is crucial to sustain a destination's overall attractiveness and attempt rejuvenation through delivering experiences to existing and potential tourists that are equal to or surpass those of other destinations (Dwyer & Kim, 2003).

The fundamental role of the government as a tourism marketer is setting a clear strategy campaign for tourism destinations such as small islands to avoid the dispersion of resources and overlapping roles and responsibilities between other islands (Cucculelli & Goffi, 2016). Moreover, Testa and Sipe (2006) suggest that tourism marketers practice traditional methods in employee training and identify tourist attractions that are seemingly problematic. This is because the tourism sector is associated with great connections to provide tourism experiences for tourists. These linkages consist of many tourism stakeholders, which have the important role of creating competitiveness while increasing its market share, the number of tourists, re-visits, tourist receipts, value to local services and products in the long term, as well as the residents' quality of life (Fernando, 2015). The nature of the tourism industry also requires the stakeholders to recognize and encounter different trends of the rapidly changing tourism market. For instance, the communication between customers and tourism providers in regard to their business strategies and tactics has been transformed significantly with the emergence of the social media phenomenon in today's modern tourism market (Minazzi, 2015). These new resources of online information are mainly based on personal experiences that are shared publicly through different mediums of social media such as video-sharing websites and social networking, which are fostered by tourism agencies. Furthermore, the rapid uptake of technology has increasingly brought into the smartphone technology and associated apps tourist decision making and behaviour. The technological development embedded by tourism organizations subsequently may lead to the concept of Smart Tourism Destinations (STD). STD is a practice that requires tourism stakeholders to create a technological platform in the dissemination of information related to tourism activities with multiple touch points that can be accessed easily (Buhalis & Amaranggana, 2013). This is described as the substantial amount of data transformed into value propositions due to the increasing reliance between tourism destinations, industries and tourists in the form of ICT (Gretzel, Sigala, Xiang & Koo, 2015). Therefore, destination management must be ready to be responsive to these changes on economic, social, demographic, political, technological, and environmental levels to facilitate and sustain competitive advantage (Dwyer et al., 2014).

2.6.1 DESTINATION MANAGEMENT ORGANISATION

In line with this outlook, Destination Management Organisations (DMOs) are essentially the primary unit for TDC research. A DMO is regarded as a marketing organisation for maintaining tourism in the destination (Pike & Page, 2014), and as a management organisation which requires a tourism system with hierarchical leadership (Murphy & Murphy, 2005). The cooperative work from the different governance of governments and private organisations in tourism planning and development has the capability to positively influence a destination's economic growth and standard of living (Stankova, 2014).

However, these partnerships are unlikely to succeed due to little control over a destination's resources and destination marketing organisations are required to strategically manage the destination's valuable resources (Line & Runyan, 2014). Consequently, destination competitiveness can be achieved when both strengths and weaknesses of the resources are identified to execute a suitable marketing policy for the destination (Martínez et al., 2014). The role of tourism marketing is essential in attracting tourists to a destination, while producing goods and services to meet the requirements of the tourists, but ultimately the DMO has to promote a destination with the available resources (Dolnicar & Ring, 2014). As suggested by Martínez et al. (2014), these resources are able to generate income from the production and development of tourism goods. Hence, tourism marketing should facilitate the development of the destination's strategic objectives to assure it can be accomplished. For this reason, good tourism marketing through strategic marketing and management is perceived to be beneficial to the destination allowing it to attract more tourists and become more competitive.

Components such as sustainable development, marketing, planning, organisation, operation, strategic alliances, destination networks and impact assessment are perceived as the key elements in addressing destination management and strategies (Buhalis, 2000; Grängsjö, 2003; Lee & King, 2006; Pansiri & Courvisanos, 2010; Pearce, 2001). The development and management of destination resources should be emphasised in destination management and strategies as a part of tourism strategies and policy assessment (Pansiri, 2014).

Herewith, it is crucial to consider tourism destination resources to enhance destination competitiveness.

2.6.2 TOURISM DESTINATION RESOURCES

The success of a tourism destination is mainly influenced by destination competitiveness in today's world markets (Enright & Newton, 2004). Due to this phenomenon, within the vast tourism literature, tourism resources have been identified as being needed for a destination to become competitive and dynamic. Prior to this, the internal and external tourism environment received significant attention in the general strategy literature (Carpenter & Sanders, 2007; Ehlers & Lazenby, 2004; Hitt, Ireland, & Hoskisson, 2007). The external environmental factors consist of the desire to travel, income level, the level of a country's economic growth and a complex amalgam of groups and individuals such as tourists, enterprises and residents that are affected by tourism development (Lee & King, 2006). However, Dwyer and Kim (2003) observed that a competitive environment influences the destination's firms and an organisation's ability to strategize in the competitive environment. This is driven by a variety of global forces including laws and regulations, the state of the economy, socio-cultural and demographic changes, and new technologies and the Internet.

The diversity of relationships between business related factors and resources prove that these components are vital in determining tourism destination competitiveness. Thus, Omerzel (2006) identified various destinations' characteristics that attract the number of tourist arrivals by inherited, created and supporting resources. Specifically, inherited resources are made up of physiography, climate, flora and fauna while created resources are the infrastructural development, special events, entertainment and shopping. This is followed by supporting resources, which are general infrastructure, quality of services, hospitality and the accessibility of the destination as a base for successful tourism. In an attempt to improvise and develop competitiveness and the sustainability of tourism products, joint efforts by stakeholders can be pursued in determining the tourists' needs (Stankova, 2014).

Chen et al. (2011) highlight that the natural environment can be protected from commercial damage by the forming of new collaborative relationships around

tourism activities. It is essential that managers are able to handle conflicts and improve the resource utilisation efficiency in the long run (Zhou et al., 2015). Therefore, competitive strategies can be adopted by the tourism policy makers and destination managers to aid not only on business-related factors, but also in practicing sustainability as a priority in their development agenda. Overall tourism development is not only a crucial determinant of its competitiveness, but also it can help to preserve the ecological balance of a tourism destination. In ensuring that the tourism planning and management are synchronized to increase the competitive advantage of a destination, tourism marketing should adapt strategic plans to accomplish it.

2.6.3 DEMAND AND SUPPLY PERSPECTIVES

From a marketing perspective, most research has measured competitiveness from either the demand or supply side (Crouch, 2011; Enright & Newton 2004; Hallmann, Müller, Feiler, Breuer, & Roth, 2012; Hudson et al., 2004; Ritchie & Crouch, 2003). Thus, it has been long assumed that there is a positive relationship between market-oriented demand-driven and supply-driven company performance (Esslemont & Lewis, 1991). Smeral (1996) suggests that tourism in nature falls into two perspectives from the market setting and the tourists' experiences.

The literature on destination competitiveness has largely either focused on the supply side which are the marketing and management or the demand side. For example, Meng (2006) looked at the tourists' perspective in investigating the level of competitiveness while Omerzel's (2006) respondents were chosen only from the supply side which are the tourism stakeholders consists of tourism industry stakeholders, government officials, tourism school academics and postgraduate students taking tourism courses. This is in line with the extensive previous research mostly on the supply side of the destination has disregarded the demand side from the tourist's perspective (Chon & Mayer, 1995; Crouch, 2011; Dwyer & Kim, 2003; Enright & Newton, 2004; Gomezelj & Mihalič, 2008; Hudson et al., 2004; Ritchie & Crouch, 2003).

Considering an observation by Omerzel (2006), a single-pronged approach examining the tourism stakeholders only did not capture the whole input

especially from the perspective of consumer travel experience. According to Dwyer and Edwards (2009), this scenario is called 'strategic drift' and is caused by the decisions made by the management on the supply side that are contrary to the change in customer needs, which result in a temporary or even permanent competitive disadvantage. The lack of tourism providers in developing supporting factors and resources, destination management and marketing, created resources and demand conditions occurs when the perceptions between stakeholders and tourists are not cohesive to achieve competitiveness. This limitation is also determined as perception gaps, which are defined as the gap between consumers' expectations and management's perceptions of consumers' expectations (Murphy, 2003; Swanson, 2004; Zouni & Kouremenos, 2008). Therefore, in order to allow the management to have a better marketing practices towards a destination, the perceptions of the tourists should also be emphasised. The influence of the tourist's perception towards a destination may be great in achieving destination competitiveness (Zainuddin et al., 2013). For this reason, by understanding the perception of tourists it will allow the destination authorities and managers to strategically establish competitive advantages against their competitors (Caber et al., 2012).

Given the importance of knowledge about the tourists in the tourism system, proactive actions need to be applied in accordance with the chance to gain and maintain competitive advantage for their organisation. Kozak (2002) suggested the assessment of tourists through different factors of age, income, personality, cost, distance, risk and motivation. This would give the tourism provider insights into the choice of destination by different groups of tourists. This information is needed to guide the creation of successful tourism products and experiences to be offered. Therefore, identifying the key success elements for a destination from both supply (management) and demand (tourist) perspectives is vital in ensuring destination competitiveness (Hallmann et al., 2014).

2.7 TOURIST PROFILE

The constant change in consumer demand has impacted on the process of forecasting in tourism management supply. The changes in tourism consumption have led to the emerging of new technologies and a new style of destination management and production (Hallmann et al., 2014). Tourists nowadays seek more travel-experiences including additional benefit, individual offer and value of price (Hallmann et al., 2014; Fuchs & Weiermair, 2003). These experiences are also expected to be fun with a range of options and are expected to be extraordinary.

The appropriate construct of competitive strategies requires the destination to determine market forces and develop an understanding of the domestic as well as international tourist movements (Pansiri, 2014). This is because tourists individually have different perceptions and motives in regard to selecting a tourist destination. Tourism providers should consider assessing tourists' motives in realizing the gap between tourists' perceptions and those of the tourism providers needs to be narrowed (Pansiri, 2014). The application of similar level of destination competitiveness attributes are quite improbable to all destinations based on the visitors (Crouch, 2006). This is because for a certain group of visitors, natural attractions are considered to be more important than a good retail offer (Wong, 2015). Thus, this information received can support in resource allocation especially in targeting marketing through appropriate promotional messages and images to attract different tourist segments.

The marketing strategy is mainly to meet tourists' different characteristics, priorities and expectations. For instance, tourist characteristics are reflected in tourist behaviour and are directly connected to sustainable tourism concepts when tourists are responsible for respecting the local culture and environment (Swarbrooke, 1999). As defined by Sharpley (1994), a responsible tourist is a person that travels more for quality than value, that seeks adventure, and flexibility; someone who is more sensitive to the environment and who explores destinations looking for greater authenticity than the typical mass tourist. Budeanu (2005) suggests that in order to increase awareness about the environmental and socio-cultural sensitivities of a destination, tourists need to be more educated as to the consequences of their consumption while travelling.

Particularly considering the research setting of islands, the interaction between tourists and the destination's local communities can be high whilst compromising the social, cultural, and environmental impacts of tourism. Therefore, the tourism stakeholders are encouraged to carefully develop in such destinations considering the social and environmental implications.

2.8 DESTINATION IMAGE

As the main focal point in destination marketing, destination image is defined as the overall mental picture (imagery) which represents a destination (Gartner & Hunt, 1987; Phelps, 1986; Crompton, 1979). The destination image comprises beliefs, ideas and impressions that are associated with the features of a destination (Andrades-Caldito et al., 2013). A destination's image consists of three components: cognitive, affective, and conative (Gartner, 1994). The cognitive image is defined as the level of awareness of the destination, for instance, a person's knowledge about a particular place. The affective image is related to the image that sparks the emotions of a person towards the destination. The conative image refers to the action or behaviour a person decides on based on the feeling and knowledge he has of the destination. These components influence the formation of the tourists' preferences, which subsequently will affect the decisions made and also the shaping of preferences (Lin, Morais, Kerstetter & Hou, 2007).

Due to the importance of destination image on tourists' decision-making and travel behaviour, the tourism literature has extensively examined this specific area (Pike, 2002). This has resulted in several attempts to define destination image. According to Table 2.7, the overall definition postulates a representation of the attributes and benefits of a destination resulting from the general interpretation of destination image as a compilation of beliefs and impressions based on information received from different sources over time (Crompton, 1979).

Table 2.7 - Definitions of destination image

Definition	Author(s)
<i>“impressions that a person or persons hold about a state in which they do not reside”</i>	Hunt (1971, p. 1)
<i>“an expression of knowledge, impressions, prejudice, imaginations and emotional thoughts an individual has of a specific object or place”</i>	Lawson and Bond-Bovy (1977, p. 37)
<i>“the sum of beliefs, ideas, and impressions that a person has of a destination”</i>	Crompton (1979, p. 18)
<i>“ideas or conceptions held individually or collectively of the destination under investigation”</i>	Embacher and Buttle (1989, p. 3)
<i>“the perceptions of individual destination attributes and the holistic impression made by the destination”</i>	Echtner and Ritchie (1991, p.43)
<i>“destination images are developed by three hierarchically interrelated components: cognitive, affective, and conative”</i>	Gartner (1994, p.193)
<i>“an individual's mental representation of knowledge (beliefs), feelings, and global impression about an object or destination”</i>	Baloglu and McCleary (1999, p. 870)
<i>“a sum of associations and pieces of information connected to a destination, which would include multiple components of the destination and personal perception”</i>	Murphy, Pritchard and Smith (2000, p. 45)
<i>“the subjective interpretation of reality made by the tourist”</i>	Bigne, Sanchez and Sanchez (2001, p. 607)
<i>“a totality of impressions, beliefs, ideas, expectations, and feelings accumulated toward a place over time”</i>	Kim and Richardson (2003, p. 218)

Source: Adapted from Zhang, Fu, Cai and Lu (2014)

In order to determine destination image, Echtner and Ritchie (1993) suggested using various attributes ranging from functional to psychological characteristics. Functional characteristics consist of characteristics which are more tangible or measurable, for example, the scenery, cost/price levels, and tourist attractions whilst psychological characteristics are more intangible or abstract such as the atmosphere, quality of service, and fame and reputation. These attributes are essential in strategic marketing and planning as well as to identify a destination's best-valued attributes for better improvement (Pike & Ryan, 2004). By this, the DMO can identify the strengths and weaknesses of their destination and take actions to address problems or exploit opportunities.

The identification of the relevant attributes in destination image is vital towards a consensus on the measurement to indicate particular elements that are perceived to be important by tourists. Hence, the creating and projecting of images plays a significant role in the process of promoting a destination. This creates awareness and ensures that the destination is in a competitive position among other potential holiday places before tourists make their final choice of destination (Cai, 2002). It may be summarised that destination image will affect destination competitiveness as it influences tourists' preferences regarding destinations (Pike, 2007). Hence, the following subsection will determine the relationship of the concepts of TDC and TDI.

2.8.1 DESTINATION IMAGE AND COMPETITIVENESS

As mentioned in Section 2.6, TDI reflects a tourist's knowledge of a tourism destination and creates awareness and perceptions (Govers, Go & Kumar, 2007; Kim & Perdue, 2011; Kozak & Baloglu, 2011; Wise & Mulec, 2012; Wise, 2011; Xiao & Smith, 2007). The information acquired from planning agendas, current management programs, potential impacts and areas needing improvements or investments provides insights into destination competitiveness research by assessing destination image (Mulec & Wise, 2013). In other words, a robust evaluation of TDI requires the examination of TDC. In fact, TDC and TDI indirectly signify similar attributes in measurement used by different researchers, such as tourist sites/activities, national parks/wilderness activities, beaches, scenery/natural attractions and nightlife, which are used in evaluating TDC, as these are core resources and attractors (Echtner & Ritchie, 1993).

A strategic distinctive branding is necessary in the development of tourism destination competitiveness and requires the understanding of a destination's attributes, identity and tourism destination image making (Chen et al., 2016; Ren & Blichfeldt, 2011). Apart from tourism activities, physical attributes and the services provided to tourists, as stated by Ryan (2010) a competitive destination can also be measured from a collection of images that create expectations, which can allow a researcher to gauge the success or otherwise of the visitors' stay. The general consensus among the academic literature on tourism specifically considers the success of a tourism destination in the international markets to be reflected by being competitive (Enright & Newton, 2004; Ritchie & Crouch, 2003).

The images formed by the destination's economic, political, psychological, social, cultural, environmental and technological situation are considered to be immensely important in terms of the destination competitiveness (Gretzel & Fesenmaier, 2009). Therefore, tourism stakeholders particularly the tourism experts, tour operators and travel agents, need to strategically promote a destination's significant features to distinguish it from other destinations in establishing competitiveness. Similarly, the tourism managers, officials and planners are responsible for continually seeking improvement to capture a niche or development opportunities from the time and financial resources available (Mulec & Wise, 2013).

The foundation of creating a destination image is influenced by the existing attributes and resources at the destination. The images formed by the destination affects the tourists' behaviours due to how image is perceived to be the "the sum of beliefs, ideas, and impressions that a person has of a destination" (Crompton, 1979, p. 18). Echtner and Ritchie (1991) suggests that images perceived by the tourists also influence their decision-making, destination choice, post-trip evaluation and future behaviours. Consequently, the significant change to such behaviour constitutes the tourists' pre-trip expectations, which eventually leads to the comparison with their actual on-site experiences (Kim, 2014; Kim, Hallab & Kim, 2012). Studies on tourism have identified destination image as an independent variable that influences consumer behaviour during the different stages of tourism: pre-visit, on-site visit and post-visit to a destination (Bigne et al., 2001; Chen & Tsai, 2007; Chen & Hsu, 2000; Mohamad, Abdullah & Mokhlis, 2012). This fundamental feature generates positive or negative effects on the attractiveness of a tourism destination. Due to this, the tourists' experiences are also considered vital to portray future behaviour of the tourists in selecting a destination. The image used to promote a destination needs to create realistic and attainable expectations that should increase the probability of visitors leaving satisfied (Andrades-Caldito et al., 2013) which subsequently may contribute to the tourist loyalty towards a destination.

Therefore, it is vital to emphasise the attributes and features that are perceived as important in building and reinforcing a destination's competitive advantage. This study will take into consideration the findings of Prayag and Ryan (2012),

who found 7 attributes of destination image that will influence the construct of the proposed TDC model, as presented in Figure 2.5. The selection of the attributes used in designing a scale depends largely around the themes of friendly people, scenery, culture and the exotic quality, which are typical of island destinations (Gossling, 2003).

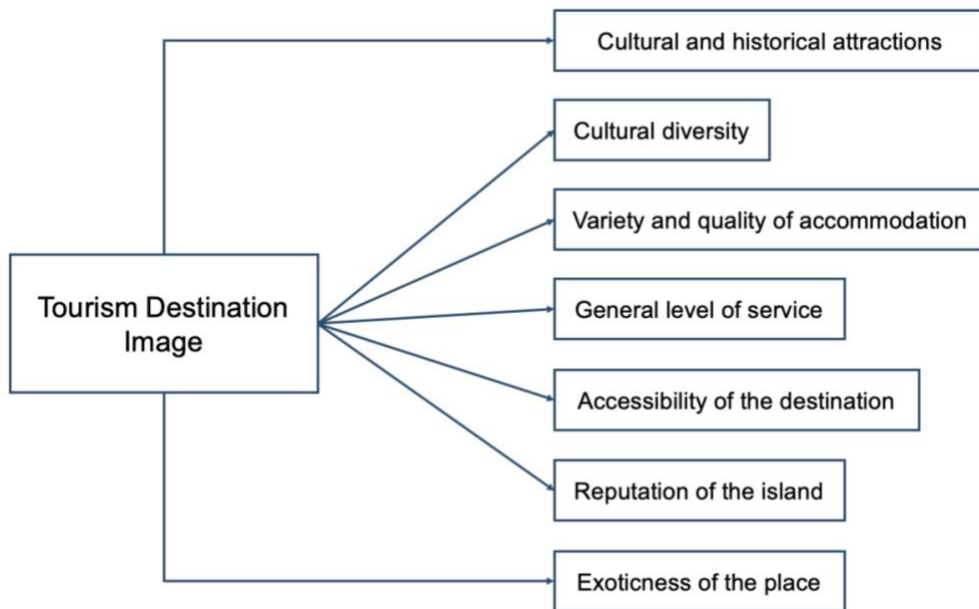


Figure 2.5 - Tourism destination image construct
 Source: Adapted from Prayag and Ryan (2012)

2.9 TOURISM EXPERIENCE AND QUALITY

Destination attributes are formed by the combination of favourable images by the tourists, consisting of natural landscape, shopping opportunities, cultural exchange, infrastructure, safety and activities offered, which affect the choice of destination to travel (Chi & Qu, 2008; Echtner & Ritchie, 1993; Kim et al., 2012). However, these TDC attributes have shifted towards more experiential mechanisms to form experiences rather than the traditional tourism-related activities (Kim, 2014). Tourists travel to receive a first-hand experience rather than observe as we are now living in a time where experience is prominent (O'Dell & Billing, 2005). According to Pine and Gilmore (1998), the demand for experiences by the consumers has led to the emergence of the progression of economic value towards staging experiences. The staging process encompasses assembling, organizing and contextualizing the attraction into a set of themes, which establish experiences to fulfil the market demands (Sternberg, 1997).

According to Plog (2001), studies on travellers from the United States show varying vacation experiences that are classified into psychocentric, allocentric and mid-centrics. The psychocentric type or dependable tourist is intellectually restricted, cautious, conservative and repressed, who expects familiarity with well-developed tourism destinations, travels less frequently but prefers driving over flying (Plog, 2001). The allocentric type is an extroverted, intellectually curious, confident individual seeking variety and novel experiences when travelling to explore new areas before they become too 'touristy'. Meanwhile mid-centrics are known to be balanced between the two extremes and share characteristics of each to varying degrees (See Figure 2.6). Plog's psychographic model is more attuned to describe the predictable pattern of growth and decline in popularity over time of a destination that appeals to a specific type of tourist (Plog, 2001). A scenario may evolve for allocentric travellers who seek novelty and change after returning home and share stories with regards to their trip and repeat visitation. Eventually, these tourists will lose interest in the destination, hence exhibiting a gradual decline in loyalty behaviour (Moreira & lao, 2014). The matter raises concerns pertaining to maintaining tourist satisfaction through the development of a destination's attractiveness and thus the destination's competitive advantage, which highlights the importance of destination policy management and marketing. Rather than predicting the life cycle, a continuous modification or update to the tourism offer is required to keep up with the ever-changing tourist preferences on travel experiences. It is essential for destination marketing management to establish strategies to fit consumers' demand for emotionally satisfying and memorable personal experiences in products and services (De Bruin & Jelinčić, 2016).

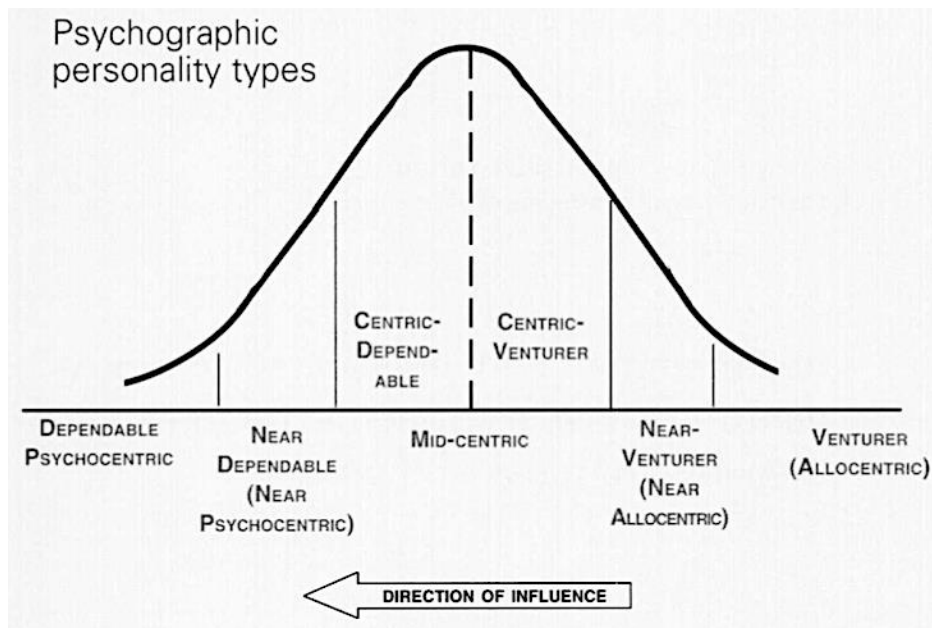


Figure 2.6 - Plog's psychographic personality types model
 Source: Plog (2001)

In addition to the nature of experience-based tourism, tourists are required to engage in multifaceted interactions and settings. It is therefore vital to the complexity of the relationships between government, stakeholders and local community involved in the tourism sector to consider tourists' preferences as a benchmark in the development and production of tourism goods. In order to develop new tourist attractions, the destination should be provided with a new meaning and sufficient information to enhance tourist familiarity with the destination (Toyama & Yamada, 2012). This is because tourists identify the place visited as a brand which holds the whole journey of an experience, starting before a visit, whereby an image about the destination is first developed and there are expectations according to previous experiences, word of mouth, press reports and advertising as well as mutual beliefs (Buhalis, 2000). Later during their stay, the tourists will then consume the products offered as an experience consisting of multiple contacts with a variety of suppliers and services. By considering the tourist experience, this will result in tourists' satisfaction and subsequently aid in the development of the tourist infrastructure (Martínez et al., 2014).

Tourism businesses similarly emphasise the quality experiences for tourists in the creation and management of their core product and services (Tussyadiah, 2014). The managerial inputs are offered through experience-based

management, which converts into outputs that are experienced by participants (Prentice, Witt & Hamer, 1998). This highlights the importance of the service provider working closely with the consumers to gain insights for producing quality experiences that meet the variety of preferences during travelling. The creation of the total experience focuses on the quality of the consumers' experiences through the designing of products, services, processes, events and environments (Shedroff, 2001). By offering tourists exciting and delightful experiences, not only do their revenues increase due to customer satisfaction (Kim, 2010) but the tourists also develop strong feelings toward the destination (Williams & Vaske, 2003). As a result, the tourists tend to feel attached to the place because of familiarity and recognition with the company, product or service.

Given the importance of the tourism experience, it is therefore essential to consider the contribution of quality to the construct. The term 'tourism experiences', 'quality' and 'quality tourism experiences', have been associated in a variety of contexts within the tourism literature (see Jennings & Nickerson, 2006; Meng, 2006). The complexity of these concepts has been approached from various perspectives, specifically in their definition and usage. Generally, quality is perceived as service quality and quality assurance/auditing in regard to the level of community, business, individual, product and market differentiation (Jennings & Nickerson, 2006). However, ultimately quality is defined by consumers' demands and what they feel benefits them (Meng, 2006). Table 2.8 depicts the list of studies relating to the use of quality tourism experience as well as samples of the representative articles. The term 'quality tourism experiences' is associated with various studies looking at quality and product, quality and satisfaction, and quality and environmental issues.

Table 2.8 - Overview of academic literature related to quality tourism experience and examples of representative academic articles

Trend Topic	Examples of Representative Academic Articles
Importance of quality products for quality tourism experiences	Loureiro (2012); Awaritefe (2003); Weber and Roehl (1999); Laws (1998) Murphy (1997); Vaughan and Russell (1982)
Quality tourism experiences and satisfaction	Mendes, Guerreiro, and Matos (2016); Yuksel and Yuksel (2001); Laws (1998); Murphy (1997); Chadee and Mattson (1996); Uysal, McDonald, and Martin (1994)
Quality tourism experiences and management of tourist experiences and associated environmental issues, degradation of environments in different locations (marine, cities, terrestrial, and heritage sites) and consequences for quality tourism products	Bhat (2003); Lawson, Manning, Valliere, and Wang (2003); Boyd (2002); Font (2002); Schneider (2002); Bauer and Chan (2001); Harborne, Afzal, and Andrews (2001); Ross and Wall (1999); Mak and Moncur (1998); Murphy (1997); Ayala (1996); Moscardo (1996); Weiler and Davis (1993); Laws (1991); Vaughan and Russell (1982); Smith and Webster (1976)
Service delivery and quality	Yuniawati and Ridwanudin (2015); Warden, Liu, Huang, and Lee (2003); Lennon and Harris (2002); O'Neill, Palmer, and Charters (2002); Ryan (2002); Lennon and Graham (2001); Yuksel and Yuksel (2001); Gyimothy (2000); O'Neill, Williams, MacCarthy, and Groves (2000); Ekdahl, Gustafsson, and Edvardsson (1999); Weber and Roehl (1999); Laws (1998); Kandampully and Duddy (1997); Chadee and Mattson (1996); Turco and Riley (1996); Larsen and Rapp (1993); Braithewaite (1992); Bitner (1990); Sheldon and Fox (1988)
Quality tourism experiences and reputation	Keane (1996)

Trend Topic	Examples of Representative Academic Articles
Sustainability and quality tourism experiences	Boyd (2002); Font (2002); Ross and Wall (1999); Cooper and Morpheth (1998); Moscardo (1996)
Quality tourism experiences and host-guest relations	Perdue, Long, and Yang (1999); Cooper and Morpheth (1998); Timothy and Wall (1997); Howell (1994)
Quality of life	Neal, Sirgy, & Uysal (1999); Perdue, Long, and Yang (1999); Howell (1994)
Quality and profitability	Ayala (1996); Braithewaite (1992)
Modes of experience	Ryan (2002); Urry (2002); Lengkeek (2001); Cohen (1972, 1979, 1988)
Place and identity	Loureiro (2014); Campbell (2003); Bricker and Kerstetter (2002); Schneider (2002)
Quality tourism experiences and motivation	Awaritefe (2003); MacCannell (2002); Ryan (1997); Uysal et al. (1994)

Source: Adapted from Jennings (2006)

According to Meng (2006), the phrase ‘experience’ is frequently associated with ‘quality’ through a process of outcome or product development. It could be related to an inner state that the tourist has personally encountered, experienced or lived through from a destination (Cohen, 2000). It involves a process through a series of stages, starting with anticipation and leading to planning, travel to, on-site activities, return travel and recollection (Clawson, 1963; Jennings & Weiler, 2006; Jennings, 1997). As Meng (2006, p. 34) has claimed, “quality of tourism experience is defined as the tourists’ perception of the degree of the pleasantness of their experience related to the product and services received during different phases of the entire vacation process”. Thus, it is suggested that the experience can be explored through a series of stages or events. Due to its multiphasic nature, it does fluctuate during the progress of a tourist visit (Arnould & Price, 1993; Hull IV & Michael, 1995; Hull, Stewart & Young, 1992).

The quality of tourism experience is perceived by tourists from the construct of their experiences through time. Clawson (1963) suggested a linear recreation experience model that consists of five different activity-based phases identified as (1) planning phase, (2) travel-to phase, (3) on-site activity phase, (4) return travel phase and (5) recollection phase. Clawson and Knetsch (1966) suggested that these phases from the 'planning' to 'travel to' and 'on-site' phase might have resulted in a similar pattern of increasing joy, satisfaction or benefit to tourists. However, it tends to decrease in satisfaction approaching the 'travel back' phase but recovers during the 'recollection' phase. Clawson and Knetsch (1966) showed that the recreation experience overall requires certain necessary components to construct the quality experience. The quality tourism experience comprises pleasurable parts in each phase, which will finally develop a satisfactory recollection.

In order to represent the potential iterative nature of experiences, Killion (1992) utilised the Clawson and Knetsch's recreation-based linear model and modified it to create a tourism-oriented circular model (See Figure 2.7). Jennings (1997) asserts that the model suggests that every 'episodic activity-based phase' may lead to the replication of the whole travel experiences in itself when multi-dimensional travel is undertaken by tourists.



Figure 2.7 - The travel experience

Source: Killion (1992)

A simpler approach to define tourist and vacation experiences was adopted by Craig-Smith and French (1994), who portray travel experiences as guidelines to future experiences. As shown in Figure 2.8, they propose that tourism experiences are in three linear phases: the anticipatory phase, the experiential phase and the reflective phase. This is followed by Laws (1995), who similarly identifies tourism experience in a set of phases consisting of 'pre-travel', 'journey and arrival', 'destination stay' and 'after return home'. The phase of the journey begins with the intention to visit, whereby efforts of planning the trip are undertaken, for which destination marketing and promotion are vital in this process. This continues with the actual vacation period, where tourists encounter a variety of services and finally tourists recollect their vacation experience through either positive or negative memories.

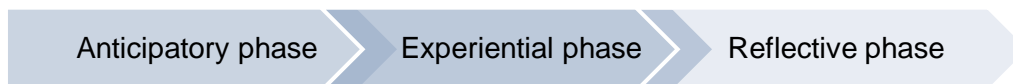


Figure 2.8 - The three phases of the vacation experience

Sources: Craig-Smith and French (1994)

For this reason, tourists' evaluation of a travel experience and the expectation before travel should be equal in order to leave behind a positive impression. Table 2.9 shows the list of activities and influencers related to the tourism experience in different phases based on Laws (1995).

Table 2.9 - List of activity and influencers in tourism experience according to phase

Phase	Activity	Influencers
Pre-travel	1. Purchase decisions	Advertising Brochures Information Personal Preferences Economic Conditions
	2. Planning	Travel agent Travel writers Social Media influencers Friends Family
	3. Anticipation	Social Media influencers Friends Family
Journey (en-route)	4. Travel	Airline staff Airport staff Immigration/customs Baggage handlers
	5. Transfer to hotel	Courier
Destination stays	6. Accommodation	Hotel staff Restaurant staff
	7. Catering	Courier Coach driver
	8. Entertainment	Tourist Information Centre Guide books Social Media Word of mouth Accommodation Local businesses
	9. Excursions	Casual contact with Residents Other visitors
After-trip	10. Recollection	Photographs Video Souvenirs Discussion with friends Travel writing Advertising Brochures

Source: Adapted from Laws (1995)

In contrast, Prebensen, Woo, Chen and Uysal (2012) added value to their study by exploring the importance of clustering different segments of tourists according to their motivation in various trip phases. The tourist experience is divided into three phases of 'pre-trip', 'en-route', and 'on-site' experiences. Based on

Prebensen et al. (2012), the idea is to add a new body of knowledge not only to identify quality perceptions of experiences through different phases but also from the different tourist segmentations.

Regardless of the diversity in these models, it is apparent that the chronological and temporal aspects of the tourism experience have the potential to shape tourist behaviour. The complex nature of the tourist experiences can also create value for tourists and destinations (Uysal, Harrill & Woo, 2011). In addition, from a managerial perspective, it is important to consider the components of a high-quality tourism experience (Meng, 2006) and the different travel experiences may be encountered from one phase to another phase (Prebensen et al., 2012).

2.9.1 QUALITY OF TOURISM EXPERIENCE AND COMPETITIVENESS

The measurement made in a destination competitiveness model requires an assumption that gives input, which portrays an expectation (Croes & Kubickova, 2013). It has been observed that a high volume of tourism destinations that aimed to increase tourist arrivals have neglected to understand the tourists' experience (Fernando, 2015). Destination management is needed to establish a high-quality infrastructure and ensure easy access to the destination and unique activities to stimulate the visitors' imaginations through personalized experiences from the whole travel journey. The destination's significant aspect of culture, history and community way of life should be highlighted as a benchmark that separates the destination from the rest of the world. It is also essential for a destination to differentiate products and services to add value for visitors, such as memorable experiences in today's increasingly competitive tourism market (Tussyadiah, 2014).

Similarly, competitive advantage from the perspective of the tourism industry is driven by incorporating an innovative tourism focus and the aspirations of tourists, specifically experiences (Fernando, 2015). The experiences offered add to destination competitiveness through an accurate assessment of tourist needs by the tourism providers. Apart from striving for bigger market, the increase in competition in the tourism industry has substantially influenced the types of experiences sought by tourists (Dwyer et al., 2014). The quality of natural attractions offered is a part of a quality destination for a quality tourism experience

(Inskeep, 1991; Middleton, 1997; Mieczkowski, 1995). A competitive destination is able to attract more tourists and increase tourists' expenditure besides offering them quality services and satisfying experiences (Ritchie & Crouch, 2003). Moreover, it is important to ensure that in achieving competitiveness in the aspect of tourism experience, the destination needs to perform better than the competitors especially in delivering goods and services (Esparon et al., 2015).

The aforementioned studies on tourism destination competitiveness have given insights into the need to maintain a destination's competitive edge in today's highly competitive market. Although the relationship between TDC and tourism experiences is poorly understood, it has begun to receive attention (Kim, 2014). For instance, when tourists have been found to enjoy pleasant experiences the destination is considered to be competitive (Crouch & Ritchie, 2005). Furthermore, Dwyer and Kim (2003) suggest that the tourism experience is crucial in the aspect of a destination's performance in their capability of delivering goods and services. Even the diamond model by Porter (1990) emphasises the vital role of the cluster. In the context of tourism, the cluster represents the quality of a tourist's experience, which covers the core attraction of the destination as well as the quality and effectiveness of other elements such as hotels, restaurants and the transportation. Apart from moves towards an experience economy, it is important to value the consumer experiences to ensure customer satisfaction and ultimately to create a deeper emotional attachment, which is customer loyalty (Tussyadiah, 2014). This is supported by a plethora of studies showing that tourists' memories from their experiences influence their behavioural intentions (Kozak, 2001; Mazursky, 1989; Wirtz, Kruger, Scollon & Diener, 2003).

Building on the components of experiences that have been conceptualized in the tourism literature, this study will clarify the attributes of destinations linked to the quality of tourism experiences. The definition of the quality of tourism experience will be obtained through the tourists' perceptions of the level of the pleasantness of experiencing the product and services received during different phases of the entire tourism process (Figure 2.9).

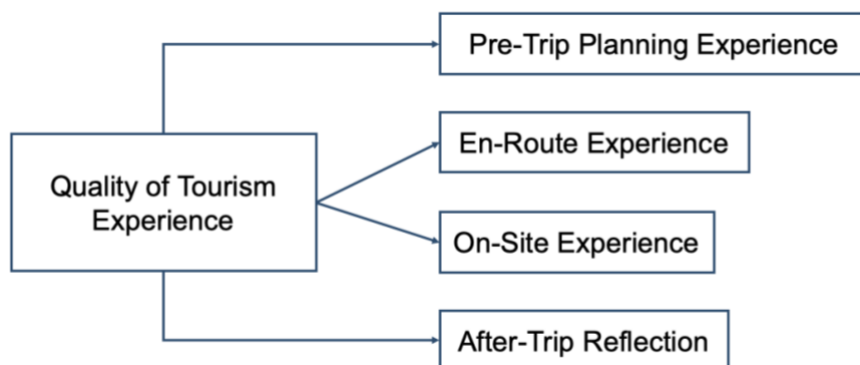


Figure 2.9 - The quality of tourism experience construct

Source: Author

2.10 TOURIST LOYALTY

In the tourism literature, destination attributes have been shown to influence the customer's behavioural intentions, with satisfaction influencing post-purchase behaviour. The mental status of an individual before an occurrence of necessary behaviour or action leads to such reactions (Fishbein & Ajzen, 1975). Cognitive, affective and conative elements (Engel, Blackwell & Miniard, 1995) impact on objective belief and subjective emotion in determining an individual's behavioural intention. Due to its capacity in identifying behaviour, behavioural intention is therefore considered as an effective method to predict individual future behaviour (Ajzen, 1991). If the behavioural intention is positive, the individual often portrays loyalty, which subsequently provides insights into customer retention (Tsai, 2016). For this reason, Loureiro (2014) suggests that behavioural intentions can be considered as a 'proxy for loyalty'.

In the marketing studies, many researchers have attempted to define customer loyalty (Jacoby & Kyner, 1973). The definition of loyalty was first identified through attitudinal studies, whereby the overall attitude of the customers' beliefs toward products or services is influenced by the value received, which was subsequently perceived as the intention to repurchase (Hawkins, Best, & Coney, 1989). The second definition of loyalty is behaviour that develops via the act of recommendation and support by the consumers towards the product or service provider (Hughes, 1991; Sönmez & Graefe, 1998). Finally, some have seen the need to integrate both definitions, describing customer loyalty as behaviour and repeat patronage (Dick & Basu, 1994). Oliver (1997, p. 392) defines loyalty as "a deeply held commitment to re-buy or re-patronize a preferred product/service

consistently in the future". These highly valuable loyal customers act as free word-of-mouth advertising mediators by recommending a product or service to family, friends or other potential customers (Shoemaker & Lewis, 1999). Since then, the extension of customer loyalty has been associated with tourist loyalty in tourism destinations (Backman & Crompton, 1991). As defined by Oppermann (2000), destination loyalty is the tourist intention to revisit the destination and to recommend it to relatives and friends. Tourist loyalty in particular has been conceptualized into three categories, which are (1) *behavioural loyalty* (actions to behaviour such as repeat visitation), (2) *attitudinal loyalty* (tourists' psychological expression, for instance, the intention to revisit a destination or recommend it to others) and (3) *composite loyalty* (amalgamation of both attitude and behaviour) (Jacoby & Chestnut, 1978).

At an operational level, brand loyalty has been implied in a substantial amount of research as compared to loyalty in terms of the tourism destination (Oppermann, 1999). The difficulty of measuring destination loyalty due to its purchasing activity on an irregular basis may have resulted in a lack of research on this particular topic (Jago & Shaw, 1998). However, Chen and Gursoy (2001) suggest that in order to identify tourist destination loyalty from tourist behaviour studies, it is often measured through repeat visitation and recommendation to other potential visitors. In this context, repeat visitation is recognized by tourists in terms of how much a destination is perceived to be worth recommending to others. Therefore, the tourists' actual behaviour can be predicted through the finding out of their intentions. Based on Bosque and Martin (2008), this method is also known as the attitudinal approach, which has been recognized as an adequate measure for assessing destination loyalty. The identification of these loyal tourists is more likely to result in tourists staying longer at a destination (Oppermann, 1998), spreading positive word of mouth (Oppermann, 2000; Shoemaker & Lewis, 1999) and participating in tourist activity more intensively (Lehto, O'Leary, & Morrison, 2004).

2.10.1 TOURIST LOYALTY AND COMPETITIVENESS

Customer loyalty has been recognized as an important goal among the consumer marketing community (Reichheld & Scheffer, 2000) especially in gaining competitive advantage for a business. Thus, it is more feasible to construct targeted indirect marketing as the service provider has easy access to records pertaining to the loyal customer as compared to first-timers (Mechinda et al., 2010). With this knowledge, authorized suppliers are able to perform focused targeting of repeat customers and facilitate direct responses for promotions as customers today are exposed to increasingly attractive offers from other competitors (Reid & Reid, 1994). Secure relationships between customers and service providers are also more likely to encourage positive word-of-mouth advertising by the customers to their friends and family, meaning there is no additional cost to the service provider (Shoemaker & Lewis, 1999). Moreover, it is cheaper to maintain current visitors than it is to seek new ones (Reichheld & Sasser, 1990). In fact, the implications may facilitate the destination marketers to develop effective strategies and resource management. According to Wong (2015), an increase in destination competitiveness eventually leads to stronger tourist loyalty.

All things considered, the intense competition of the tourism industry may force a destination to develop and maintain a favourable image, to create attractive tourism offerings, and to attain tourist satisfaction and loyalty for its tourism development (Moreira & lao, 2014). Therefore, in this study behavioural intention is defined as the evaluation of the overall experience and how it is conveyed through the subjective tendency of tourists' further actions after participating in a tourist activity. The research will be conducted by surveying tourists in identifying their intentions of revisiting the tourism destination and recommending it to others.

2.11 SUMMARY

This chapter gives a background in understanding the notion of tourism destination competitiveness and how it relates to other variables. The literature revealed a variation in terms of the definitions and measuring elements, which portrays the multi-faceted concept of competitiveness. Despite the substantial interest in destination competitiveness as shown in the detailed review, the concept is still not fully developed and there is no generally applicable framework that is appropriate for all types of tourist destinations. A destination competitiveness model would offer the tourism industry a mechanism for analysing, diagnosing, planning and communicating competitive strategies (Crouch & Ritchie, 1999). However, as mentioned previously, the various sets of destination competitiveness measurements are different due to a destination's unique nature and features that distinguish it from other destinations. Each tourism destination is recognized as a unique entity (Moilanen & Rainisto, 2009; Shaw & Williams, 2004; Urry, 2001).

Regardless of the destination's distinctive factors, TDC models have been developed extensively in the larger economies but particularly lack the features of small island destinations (Azzopardi & Nash, 2016). The main concerns are the lack of appropriate policies and strategies to maintain a destination's competitiveness for this type of destination. It is suggested that studies establish new efforts in developing and testing TDC frameworks based on competitiveness determinants that are relevant to small islands (Croes, 2011). In particular, islands are more economically vulnerable, with limited options for development and are hugely dependent as compared to the mainland. Hence, the United Nations Environment Program (UNEP, 2015) argued that small islands are often constrained in meeting the challenges for planning and implementing sustainable development. This research setting at Perhentian Island in Terengganu demonstrates similar concerns and the island has greater dependence on tourism for its growth and prosperity. It is therefore vital to determine the destination's competitiveness in order to construct effective strategies to manage TDC to achieve sustainable tourism growth.

As mentioned previously, this study builds on measurement of TDC derived from Azzopardi & Nash (2011), considering particular features of small island

destinations. To explore the multi-dimensional nature of destination competitiveness and its influence on tourists, this study incorporates Tourism Destination Image (TDI), quality of tourism experience and tourist loyalty variables simultaneously. The elements of this framework have been identified as relevant to the setting of the research by highlighting the relevant components of islands such as island appeal, island charm, and sun, sea and beaches, which are perceived as competitive. Figure 2.10 presents the proposed perceived destination competitiveness conceptual model.

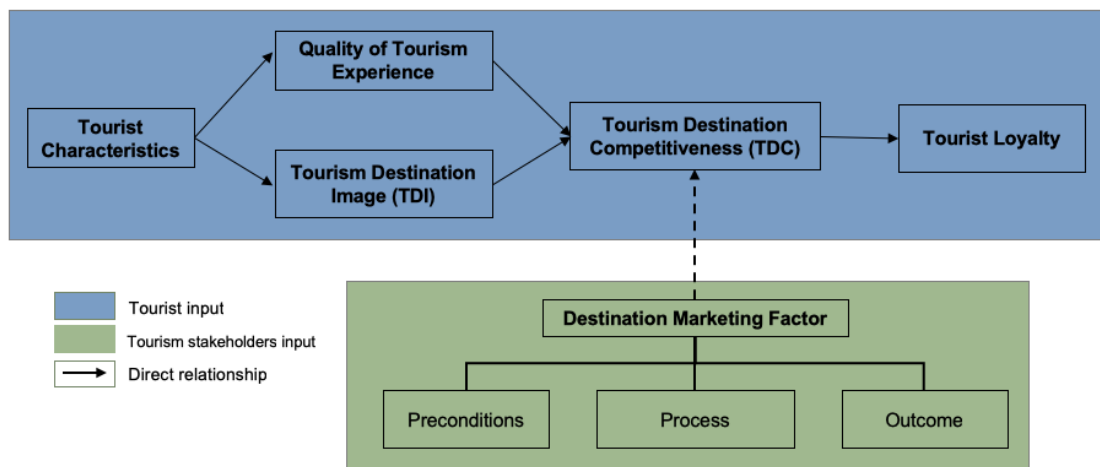


Figure 2.10 - Conceptual framework of the TDC model

Source: Author

With regards to the measured variables of the model, these will be further discussed in more detail in Chapter 4. According to the literature, the measurement and evaluation of a tourism destination's competitiveness is vital for the design of the research framework, particularly in accessing performance prior to the unique factors that influence TDC. According to Azzopardi (2011), these TDC factors or attributes are not universal and applicable for all type of destinations. Therefore, this research will develop a framework according to the suitability of the research setting. The conceptual model presented in Figure 2.10 considers the different variables from the literature that links with TDC:

- From the marketing perspective, it is essential that tourism stakeholders execute the marketing activities by strategically promoting the destination to attract more tourists. The process requires the stakeholders to recognise both strengths and weaknesses of the resources available at

the destination to achieve destination competitiveness as they are the marketing policy makers (Martínez et al., 2014).

- This is followed by an understanding of the characteristics of tourists travelling to Perhentian island. Owing to the distinctiveness of every tourist, the selection of a tourism destination is influenced by their perception and motive. Thus, the assessment of tourists is required to narrow the gap between tourists' perceptions and those of tourism providers (Pansiri, 2014).
- The model incorporates inputs from the tourists to explore the other variables starting from examining destination image that is identified by the tourists. The images formed give the tourists an awareness and knowledge of the destination before arriving (Mulec & Wise, 2013). Hence, seven attributes of destination image are proposed for the TDC model, as presented in Figure 2.5. The influential factors considered to be suitable for island destinations include the themes of friendly people, scenery, culture and exotic characteristics (Gossling, 2003).
- A competitive destination is affected by the quality of tourism experience related to the destination, which includes their experience in pre-trip planning, en-route, on-site, and after-trip (reflection) phases. The significant change to tourist behaviour through these phases gives an indicator to a destination's performance among the competitors. In other words, a successful tourism experience in delivering goods and services can ensure a destination's superiority to that of alternative destinations or competitors (Esparon et al., 2015). Therefore, the quality of tourism experience will be examined to investigate whether it influenced on tourists' perceived destination competitiveness and has the relationship between these two variables.
- Considering the importance of tourist loyalty in gaining competitive advantage for a business follows the recommendations of Meng (2006), who considers tourist loyalty to be beneficial to future tourist behaviour with the destination, which would be able better to answer the 'so what'

question. This overall TDC evaluation considers the opinion of the visitors to Perhentian Island in Terengganu as a tourist destination.

Ultimately, this research links theoretical developments with an empirical study that contributes to the conceptualization of a TDC framework which comprises the elements of marketing perspective, tourist characteristics, TDI, quality of tourism experience and tourist loyalty in a competitiveness evaluation. The model incorporates measurement through mixed-methodology between both the supply and demand side as to avoid 'strategic drift' (Dwyer & Edwards, 2009). It also tries to fill the gap presented by Meng (2006), who argues for the importance of identifying the supply and demand side in terms of concept, perceptions, and practices.

Before exploring the methodology employed, the next chapter looks at the context for the research. It gives insights into the tourism offer in Perhentian Island and Malaysia and examines the structure of agencies supporting the tourism industry in the country

CHAPTER 3

TOURISM IN MALAYSIA, TERENGGANU AND PERHENTIAN ISLAND

3.1 INTRODUCTION

The previous chapter discussed the results of a detailed review of the potential relationships between the marketing, characteristics of tourists, quality of tourism experience, Tourism Destination Image (TDI) and tourist loyalty and Tourism Destination Competitiveness (TDC). Perhentian Island has been selected for the research setting considering the gaps in the literature and needs for the current study. Therefore, this chapter further discusses the background of the setting to provide essential knowledge and an understanding of Perhentian Island. The chapter begins by discussing tourism in Malaysia consisting of the country profile, overview of the tourism industry, the structure of the industry and product development (Section 3.2). It focuses on the tourism industry of the country and the incorporation of tourism planning compared with other destinations in Malaysia, particularly the islands in Terengganu.

The next section gives an overview of the island destinations in Terengganu, which subsequently leads to the research setting, Perhentian Island (Section 3.3 and 3.4). Perhentian Island has become a prominent island destination among international and local tourists. Having said that, the following section reviews the performance and background of the island. It also highlights the government's recent efforts in repositioning Perhentian Island as a premier ecotourism destination. Finally, this chapter addresses the justification for selecting Perhentian Island for the research setting.

3.2 TOURISM IN MALAYSIA

3.2.1 COUNTRY PROFILE

The Federation of Malaysia comprises thirteen states, namely Johor, Melaka, Selangor, Negeri Sembilan, Perak, Pahang, Pulau Pinang, Terengganu, Kedah, Kelantan, Perlis, Sabah, Sarawak and the three federal territories of Putrajaya, Kuala Lumpur and Labuan. As shown in Figure 3.1, the total landmass of 329,758 square kilometres separates Peninsular Malaysia and East Malaysia by the South China Sea. Situated in the northern part of Peninsular Malaysia is Thailand while in the south is Singapore. On the island of Borneo, Malaysia (with the states

of Sabah and Sarawak) shares the island with Indonesia and Brunei Malaysia is located near the Equator and enjoys a tropical climate throughout the year with an average temperature of 21°C (70°F) to 32°C (90°F).



Figure 3.1 - Map of Malaysia

Source: World Atlas (2018)

As a rapidly developing country located in Southeast Asia, Malaysia has a growing population with over 30 million. It has become the 43rd most populous country in the world (Hussein, Taher, Singh & Swee, 2015). Historically Malaysia was colonized by the British Empire in the nineteenth century before gaining its independence. The trading activities implemented by the British resulted in a unique multi-ethnic mix within the country with Malay, Chinese and Indian populations. The leaders of each major ethnic group, the United Malays National Organisation (UMNO), the Malayan Chinese Association (MCA) and the Malayan Indian Congress (MIC), under a mutual party called the Alliance influenced the British into granting them independence (Ahmad, 2005). On the 31st August 1957, the Malay Federation, which was the name given to Malaysia at that time, celebrated its Independence Day. The Alliance’s communally based parties of 14 party components were formally replaced by Barisan Nasional (BN) in 1973. BN led the Government of Malaysia for 61 years following Independence Day until 2018, when new political history was made when the opposition’s Pakatan Harapan (Alliance of Hope) won the election. Pakatan Harapan is led by Tun Dr.

Mahathir Mohamad, who was also the fourth Deputy Prime Minister of Malaysia and the current prime minister of the country.

3.2.2 OVERVIEW OF MALAYSIAN TOURISM INDUSTRY

Throughout the years, the government has managed to put in place a number of policies and effective strategies to uphold the Malaysian economy. Historically, Malaysia started off with a greater emphasis on economic growth through mining and agricultural activities. In the ensuing years, the economy of Malaysia became more industrialized due to the diversification efforts by the government. One of the many industries, tourism has benefited immensely from this economic transformation planning as it has continuously played a crucial role in the development of the country. The Malaysian government first established the Department of Tourism in 1959 under the Ministry of Trade of Malaysia. As the country's 2nd Malaysian Plan 1971-1975 highlighted the role of tourism in the economy, the Ministry of Culture and Tourism was then formed in 1987. After five years, it was later renamed the Ministry of Culture, Arts and Tourism, or MoCAT. However, in April 2004, the fifth Prime Minister of Malaysia announced the separation of the Ministry into two, namely the Ministry of Culture, Arts and Heritage and the Ministry of Tourism (MoTour). MoTour focuses more on marketing purposes to aggressively promote tourism products and services. On 2013, MoTour was transformed into the Ministry of Tourism and Culture (MoTAC) to further justify the important relationship between tourism and culture to boost competitiveness but also to promote sustainable practice in both sectors.

3.2.3 PERFORMANCE OF THE TOURISM INDUSTRY IN MALAYSIA

Tourism across Asia and the Pacific region countries such as Malaysia, China, Thailand and Korea have seen outstanding growth over the years with 308 million international tourists in 2016, which is an increase of 7% per year since 2005 compared to the world average growth of 4% (UNWTO/GTERC, 2017). There was also an escalation for the regions on global tourism receipts, which doubled from 17% in 2000 to 30% in 2016 (UNWTO/GTERC, 2017). The solid growth managed to sustain tourism in Malaysia as the third highest contributor towards the Malaysian economy (Bernama, 2017). In 2016 alone, Malaysia received international recognition as Asia's Leading Destination at the World Travel Awards Asia & Australasia 2016 for the second consecutive year, and the No. 1

World's Top Muslim-friendly Destination, based on the MasterCard Crescent Rating Global Muslim Travel Index 2016 (Malaysia Tourism Promotion Board [MTPB], 2018). With its unique gastronomy experience, Malaysia was also awarded Best Asian Culinary Destination and Best Asian City Destination at the 2016 Travvy Awards (MTPB, 2018). This recognition is consistent with the statistical improvement demonstrated for both the tourist arrivals and receipts over the last decade (MTPB, 2018). Table 3.1 depicts the increase of 24% in tourist arrivals in Malaysia from 20.97 million in 2007 to 25.95 million in 2017 while the tourist receipts show a 38% increase from RM57.22 billion in 2007 to RM79.11 billion in 2017 (based on constant prices 2016).

Table 3.1 - Tourist arrivals and receipts to Malaysia by year

Year	Tourist Arrivals (Million)	Tourist Receipts (RM Billion)	Tourist Receipts (Based on RM 2016 Constant Prices)	Tourist Receipts (£ Billion 2016 prices)
2007	20.97	46.07	57.22	10.23
2008	22.05	49.56	58.38	10.43
2009	23.65	53.37	62.51	11.17
2010	24.58	56.49	65.05	11.62
2011	24.71	58.32	65.09	11.63
2012	25.03	60.56	66.48	11.88
2013	25.72	65.44	70.36	12.57
2014	27.44	72.00	75.05	13.41
2015	25.72	69.21	70.66	12.63
2016	26.76	82.10	82.10	14.67
2017	25.95	82.17	79.11	14.14

Source: Adapted from Tourism Malaysia (2018)

The increase in the figures was mainly due to the concerted effort from Tourism Malaysia in their promotional program of Visit Malaysia Year (VMY) with the theme 'Celebrating 1Malaysia Truly Asia'. The country continues to celebrate Malaysia's various multicultural festivals with a new campaign in 2015 with Malaysia Year of Festivals (MyFEST) with the theme 'Endless Celebrations'. Furthermore, it is one of the government initiatives to focus on building strategic partnerships with airlines and corporate bodies, using digital media platforms for marketing and publicity, organising familiarization trips for selected markets and participating in major international tourism trade shows. The government also introduced the Tourism Malaysia Integrated Promotion Plan for 2018-2020 to achieve the country's tourism target under the Malaysia Tourism Transformation

Plan (MTTP) 2020. According to MTPB (2018), the plan involves adopting 6 strategies to synergise the country's tourism promotion plan, as presented in Figure 3.2.

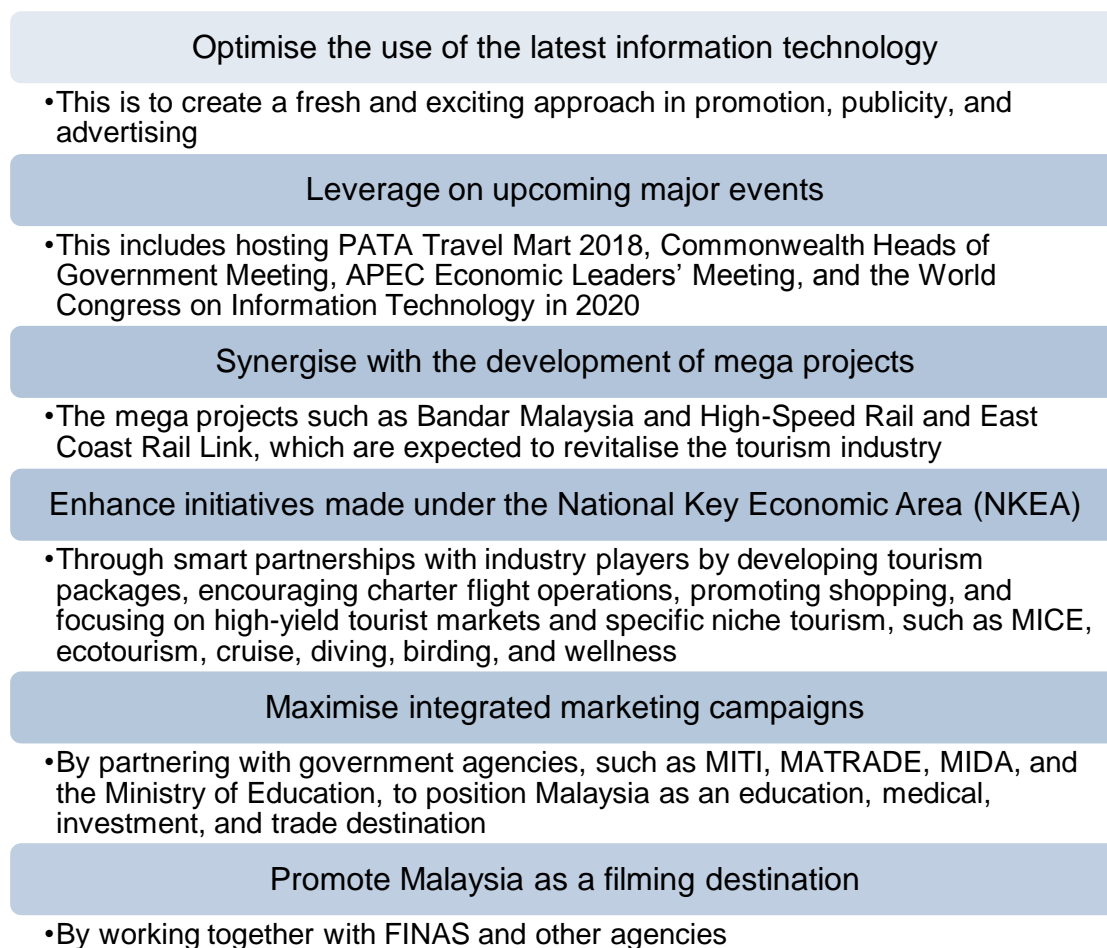


Figure 3.2 - Tourism Malaysia integrated promotion plan for 2018-2020

Source: MTPB (2018)

Tourism Malaysia noted that the performance of the tourism industry in Malaysia remains a significant driver of growth in the development of the country despite the unfortunate events in Malaysia's aviation industry. The country suffered a loss of revenue after the tragedies of MH370 and MH17. Malaysia Airports Holdings Bhd (MAHB) encountered a decline of 2.1 per cent (19.9 million) passenger movements, with international tourists falling by 0.8 per cent and domestic decreasing by 3.4 per cent. As reported by Ganesan (2015), the Kuala Lumpur Tourism Bureau general manager mentioned her concern about the number of arrivals, which was far from reaching the targeted arrivals of 29.4 million in 2015. The disappearance of MH370 en route to Beijing has affected a significant

number of tourist arrivals from Malaysia's biggest markets, particularly Chinese travellers. However, in a press conference the Managing Director of MAHB stated that the travellers from China were catching up to the number of arrivals the country aimed for and the approach of practising visa-free entry will meet the demand as a turnaround strategy for the country (Hamid & Mansor, 2014). The visa-free entry was finally initiated in 2016, which resulted in an increase in 26.7% for the Chinese tourist arrivals for that year (MTPB, 2018). At the same time, in order to strengthen the promotion in China, Tourism Malaysia signed a Memorandum of Understanding (MoU) with an e-commerce platform owned by the Alibaba Group to intensify the use of digital marketing (MTPB, 2018). According to the National Key Economic Area (NKEA), regardless of the problems faced, Malaysia is moving towards the country's 2020 target of 36 million tourist arrivals and RM168 billion receipts (Performance Management and Delivery Unit [PEMANDU], 2015). Although it is felt that this target is unlikely given the growth needed to exceed the current trends, nonetheless, cooperation between the key players in tourism such as the Ministry of Tourism and Culture, government agencies and the private sector in creating a good destination image is important in aiding development.

3.2.4 THE STRUCTURE OF THE INDUSTRY AND PRODUCT DEVELOPMENT

The Malaysian government introduced the Tenth Malaysia Plan (2010) as a platform to improve the development of the country. The Plan contains new policy and strategy that provides an impetus for the tourism industry to prosper and sustain its development. Referring to the Plan, the key strategies focus on improving tourism products, establishing new iconic tourism products and maintaining tourist sites. The overseas Tourism Malaysia offices are correspondingly involved in promoting and advertising Malaysia's tourist attractions to the core markets particularly from Singapore, Indonesia and China (Tourism Malaysia, 2018a).

The Malaysian economy sets to continue the journey towards realising Vision 2020 for the final five-year plan in the Eleventh Malaysia Plan (2016-2020). The tourism industry has been highlighted, with the aim of transforming services towards those which are more knowledge intensive and innovation-led and

through which ecotourism has been introduced (Economic Planning Unit, 2015). The positioning of Malaysia as a premier ecotourism destination is mainly to leverage the biodiversity assets with an approach towards extensive protection and conservation that is supported by targeted branding and promotion activities (Economic Planning Unit, 2015). The development emphasis has been placed on experience-enriching elements through the improvement of tourism facilities, interpretive centres, safety measures and communications. Therefore, it is important to attract reputable investors who are expert in the conservation and preservation of nature and wildlife in order to produce ecotourism products. This is also to capitalise on the opportunities to create new jobs for local communities to generate prosperity and raise their living standards. Moreover, the government has focused on the tourism industry as part of investing in developing cities and regional economic corridors that prioritize the strengthening of corridors to stimulate regional development in investment, infrastructure and at the same time enhancing talent and skill development. Figure 3.3 shows the area for regional economic corridors that involve the tourism industry.

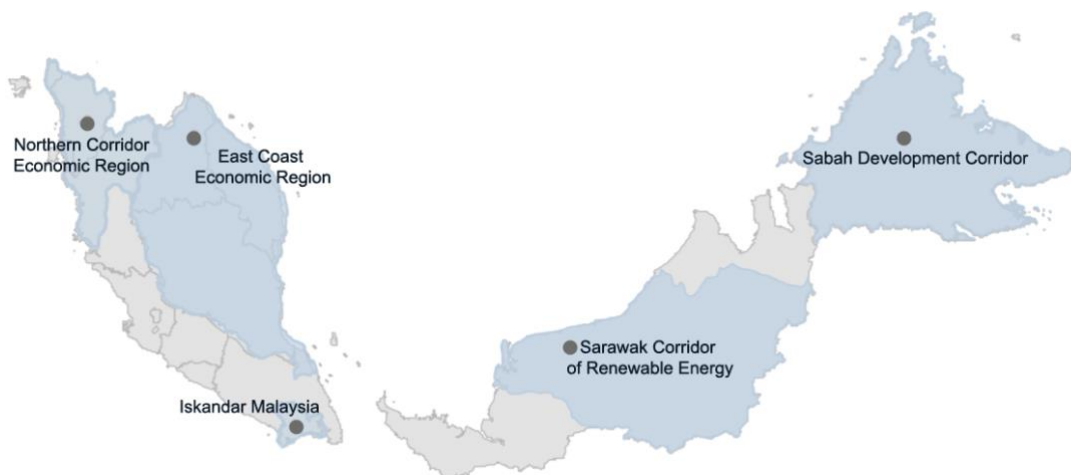


Figure 3.3 - Areas for regional economic corridors involving the tourism industry
Source: Economic Planning Unit (2015)

In addition, the Plan identified the tourism industry as one of the NKEAs that contributes significantly to the Gross National Income (GNI). Hence, the government established the National Transformation Programme (NTP) to target Malaysia as a major tourist destination. The government recognized the importance of diverse stakeholders' involvement and partnership in tourism strategic planning. Initiatives to collaborate are taken with other sectors like the Ministry of Domestic Trade, Cooperatives and Consumerism, the Malaysian

Investment Development Authority (MIDA) and the Ministry of Tourism and Culture. As a result, progressive approaches have been undertaken to develop innovative products and rebrand traditional products (PEMANDU, 2015). Based on Table 3.2, the 12 Entry Point Projects (EPP) for the tourism industry have been divided into five separate themes, which are affordable luxury goods, nature travel, family fun, events and entertainments, spa and sports tourism and finally business. These different themes are targeted towards different segments of tourists.

Table 3.2 - Tourism themes and entry points

Tourism Theme	Entry Point Projects (EPPs)
Theme 1: Affordable Luxury	EPP1: Positioning Malaysia as a Duty-free Shopping Destination EPP2: Designating Bukit Bintang-Kuala Lumpur City Center EPP3: Establishing Premium Outlets in Malaysia
Theme 2: Nature Travel	EPP4: Establishing Malaysia as a Global Biodiversity Hub
Theme 3: Family Fun	EPP5: Developing an Eco-Nature Integrated Resort EPP6: Cruise Tourism - Creating a Straits Riviera
Theme 4: Events, Entertainment, Spa and Sports	EPP7: Targeting More International Events EPP8: Dedicated Entertainment Zones (DEZ) EPP9a: Developing Local Expertise and Better Regulation of the Spa Industry EPP9b: Golf Tourism
Theme 5: Business Tourism	EPP10: Establishing Malaysia as a Leading Business Tourism Destination EPP11: Enhancing Connectivity to Priority Medium Haul Markets EPP12: Improving Rates, Mix and Quality of Hotels

Source: Adapted from Hasliza, Saad, Khalid & Abidin (2015)

As stated by the former Malaysia Prime Minister, Dato' Sri Mohd Najib Tun Abdul Razak, throughout the seven years of its implementation, the NTP has successfully delivered positive outcomes (CSDU, 2017). Based on Table 3.3, it can be observed that small changes were made in the tourism projects in two different years.

Table 3.3 - Comparison of the NKEA plan for the tourism industry in Malaysia

No.	Entry Point Projects	
	2014	2017
EPP #1	Positioning Malaysia as a Duty-Free Shopping Destination for Tourist Goods	Positioning Malaysia as a vibrant shopping destination
EPP #2	Designating Bukit Bintang-Kuala Lumpur City Centre as a Vibrant Shopping Precinct	Designating Kuala Lumpur City Centre-Bukit Bintang as a vibrant shopping precinct
EPP #3	Establishing Premium Outlets in Malaysia	
EPP #4	Establishing Malaysia Mega Biodiversity Hub (MMBH)	Establishing Malaysia as a mega biodiversity hub (MMBH)
EPP #5	Developing Integrated Resorts	
EPP #6	Developing Cruise Tourism	Developing cruise tourism
EPP #7	Targeting more International Events	Positioning Malaysia as a vibrant events and entertainment destination
EPP #8	Establishing Dedicated Entertainment Zones (DEZ)	
EPP #9	Developing Local Expertise and Better Regulation of the Spa Industry	Establishing Malaysia as a leading business tourism destination
	Golf Tourism	
EPP #10	Establishing Malaysia as a Leading Business Tourism Destination	
EPP #11	Enhancing Connectivity to Priority Medium-Haul Markets	Enhance air connectivity to Malaysia from priority markets
EPP #12	Improving Rates, Mix and Quality of Hotels	

Source: Adapted from CSDU (2017); PEMANDU (2015)

3.2.5 NICHE PRODUCT: ISLAND FOCUS

With the structure of tourism planning, the government has established tourism niche products that focus on the growth of businesses and attracting tourists. The ten niche categories include shopping, birding, golfing, cruise, diving, angling, yachting, bike tourism, wedding and honeymoon, as well as homestay. Among the niche products stated by Tourism Malaysia (2018b), 50% of the tourism products are contributed by island destinations in Malaysia. The focus on island destinations has become apparent especially with the development of cruise tourism.

According to the Asia Cruise Association White Paper on the Cruise Industry in Asia 2013, for the past 10 years international cruise tourism has had a robust

growth of an average 14% annually (PEMANDU, 2015). According to CSDU (2017), international cruise tourism in Malaysia continues to grow steadily with 471 international cruise calls at Malaysian primary ports bringing in 924,885 passengers, which gave a total of 599 total calls made including the local cruise ships. With consistent cruise deployments, Malaysia has continually upgraded their cruise line to sustain and attract a portion of a projected USD2 billion industry in the Southeast Asian region. As for instance, the Superstar Gemini from Star Cruise, a wholly-owned subsidiary operated by Genting Hong Kong, gained advantage from Malaysia's strategic location and has an average two calls a month when it was positioned via Kuantan port to East Asia and Vietnam. It expanded to multiple homeports and fly-cruise options to provide demand response from tourists in Southeast Asian and other regions. The growth of this particular cruise has brought attention to destinations like Langkawi, Tioman and Redang Island as stopover destinations. The number of tourist arrivals to Redang Island increased from 158,423 in 2014 to 326,269 in 2017 due to the twice monthly stopovers of Star Cruise to the island (Tourism Terengganu, 2017a).

The accessibility offered by the cruise company at the same time promotes the islands in Malaysia as the best providers of world class diving experiences and various diving courses. The diving experience is catered to beginners and also those who are certified by the Professional Association of Diving Instructors (PADI). Scuba diving has exhibited an average increase of 12% annually since 1970 (Jeyacheya & Hampton, 2016) with more than 25 million certified divers globally (PADI, 2018). As stated by Tourism Malaysia (2018b), the island destinations in Malaysia are appealing and have an abundance of marine life with calm waters for diving.

Malaysia's abundance of marine life has attracted tourists in angling activities promoted by Tourism Malaysia. The government tourism agency collaborates with Malaysia Association of Angling (PeMM), a non-profit organization established in 1990 to promote angling activities and create public awareness of the importance of preserving aquatic life (Tourism Malaysia, 2018b). The organisation focuses on the conservation of local species, the protection of the environment, and promotes the catch and release doctrine. The organisation has reached out to the public through educational programmes about fishing and

events that are being held annually such as the Royal Pahang Billfish International Challenge.

The government has discovered the potential of destinations in Malaysia as wedding venues, which include exotic island destinations, to those who seek small intimate wedding ceremonies and others like golf courses and cool highland wedding themes. Tourism Malaysia works closely with the Association of Wedding Professionals in Malaysia (AWP) to raise awareness of the wedding business and enhance the professionalism and credibility of the members. The development of this market has been encouraged and promoted by the government based on its products and local skills in photography for wedding photo shoots. Therefore, the government provides platforms for the business operators that relate to honeymoons and weddings such as hoteliers to market their products and services at international events.

3.3 ISLAND DESTINATION IN TERENGGANU

As reported by Tourism Malaysia (2018d), the emphasis on island destinations in Malaysia is evidently due to the engagement of tourists in visiting them. Visiting islands and beaches was ranked in the top three after shopping (60.8%) and sightseeing in the cities (49.9%), with 46% claiming this was a motivation. The relatively high percentage of tourists' engagement with this type of destination has created niche products as previously discussed that mainly revolve around island destinations. As reported by Tourism Malaysia (2018a), the most visited marine parks in Malaysia are in Terengganu, recorded at 244,762 tourist arrivals followed by Johor (234,748) and Pahang (231,238).

Terengganu is a state situated in the north-eastern Peninsular Malaysia, overlooking the South China Sea in the east. It holds the longest stretch of 244km panoramic sandy coastline in the country. Terengganu's idyllic and serene archipelago offers picturesque islands and beaches. The state government clustered the islands and beaches under the main products for tourist attraction due to their great attention received by the tourists. Tourists are able to enjoy water fun-filled activities like snorkelling and diving while experiencing famous local cuisine, for instance, deep-fried battered squids, prawns and fish during their visit.

3.4 PERHENTIAN ISLAND

3.4.1 OVERVIEW OF TOURISM

Among the islands in Terengganu, Perhentian Island was named as the 13th Best Beach in the World by CNN in 2013 and the 5th Best Beach to Swing the Hammock in the World by The Lonely Planet Travel Book in 2010 (Tourism Terengganu, 2014). The continuous efforts by the government for this particular island has resulted in impressive growth in tourist arrivals from 88,219 in 2008 to 180,569 in 2016 (Tourism Terengganu, 2017a). As quoted by Jaafar, Abdullah and Ismail (2016), a report by MOTOUR Terengganu stated that 90% of the 287,149 foreign tourists in 2011 visiting Terengganu were travelling to Perhentian Island. Owing to this, Perhentian Island has also become one of the most prominent small island destinations in Malaysia (Ismail, King & Ihalanayake, 2011). Table 3.4 shows the number of tourist arrivals to Perhentian Island between 2011 and 2016.

Table 3.4 - Tourist arrivals between 2011 and 2016

Year	Number of tourist arrivals
2008	88,219
2009	101,225
2010	105,668
2011	101,233
2012	107,423
2013	138,118
2014	157,545
2015	152,195
2016	180,569

Source: Tourism Terengganu (2017a)

As shown in Figure 3.4, Perhentian Island is located 21 km off the coast of Terengganu and can only be accessed via a 45-minute boat ride from the Kuala Besut Jetty (Tourism Terengganu, 2014). In Malay, the meaning behind the name, 'stopover point', signifies the island's traditional role as a sanctuary for fishermen and a staging point used by ancient traders traveling from the Eastern and Western sea routes (Tourism Terengganu, 2014).

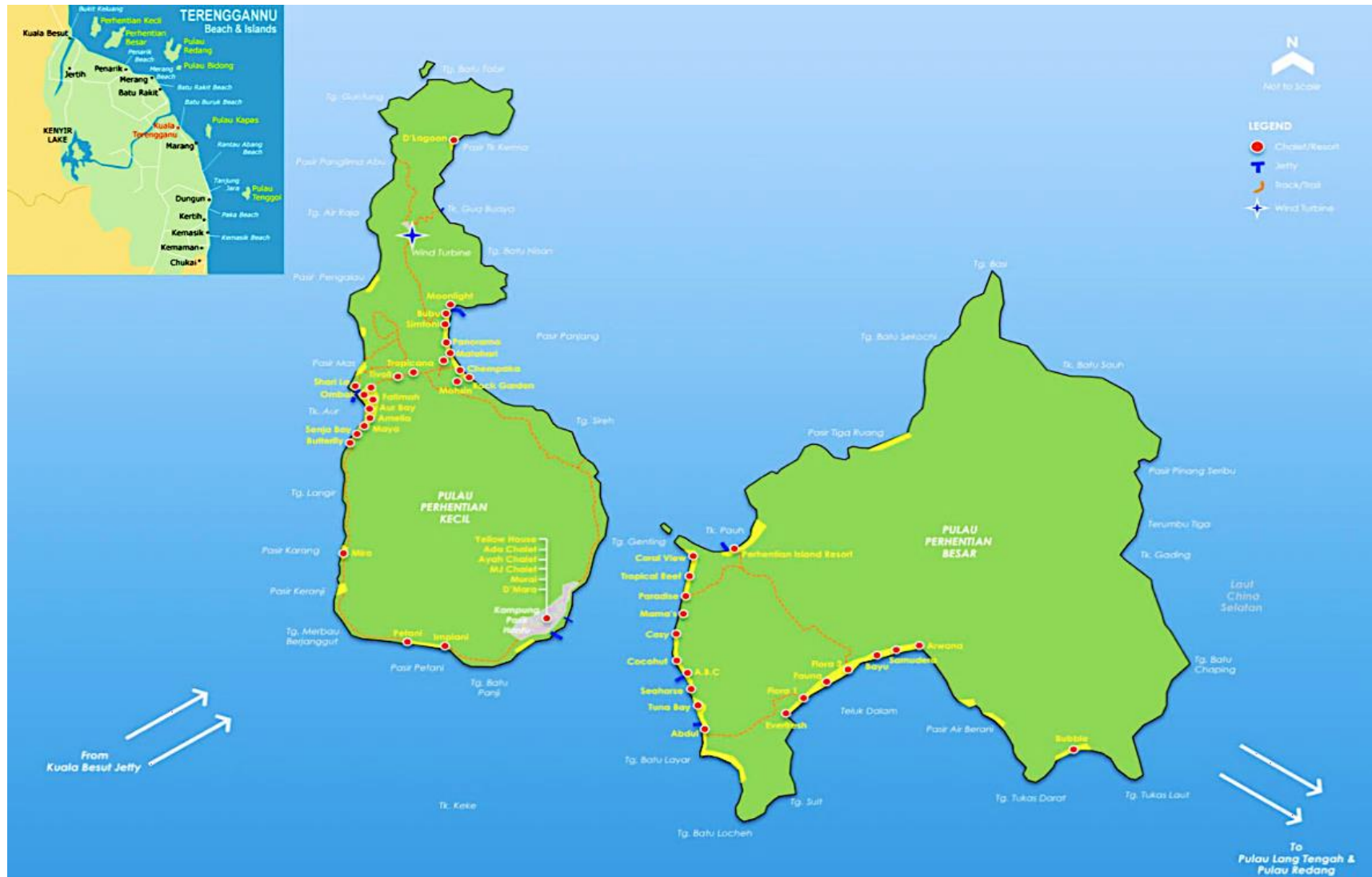


Figure 3.4 - Map of Perhentian Island

Source: Tourism Planning Research Group (2014)

The island has an abundance of marine life and forms a part of the National Marine Park of Malaysia in 1985, which subsequently has influenced the economic structure of the island towards the local communities and entrepreneurs in the tourism sector (Jaafar et al., 2016). The growth of the economy and tourist arrivals on the island is a potential threat to the environment. Therefore, the Department of Marine Park Malaysia (DMPM) has the authority to protect the marine life from fishing, collecting coral and littering. The precautions taken by DMPM are required as the core tourist attractions are the white sandy beaches and underwater scenery with a spectacular view of the coral reefs water (Ismail, Jaafar & Khalid, 2016). Basically, Perhentian Island is popular for its water-based activities such as scuba diving and snorkelling on the coral reefs or by a boat trip that gives tourists the first contact with the marine life (Hamzah & Hampton, 2013) (Figure 3.5). Added to this, visiting the island requires a Conservation Charge to be credited to the Marine Park and Marine Reserve Trust Fund for the management purposes of the Marine Park Centres and also for tourists' basic facilities at the Marine Park Centres (Department of Marine Park Malaysia [DMPM], 2018).



Figure 3.5 - The snorkelling activity at Perhentian Island

Source: Author

The land area in Perhentian Island is mostly covered by tourism infrastructure, jungle areas and a settlement area which is in Perhentian Kecil called Kampung Pasir Hantu. The settlement has just undergone the Relocation of Traditional Fisherman's Village Program that implemented house construction in a systematic manner (Besut District Council, 2018). This allocation is important for the quality and comfort of living for the local communities, which have a population of approximately 1,300 with 80% involved in the tourism sector, as

well as 20% in the public sector and retail trade. It was reported by the Population and Development Plan of Sustainable Tourism Pulau Perhentian (2012), that in the centre of the village there are about 210 houses with an estimation of poverty at 30 percent (as cited in Jaafar et al., 2016, p. 194). This is consistent with Salmond (2010), who found that the state of Terengganu and Kelantan have the highest poverty and unemployment rates within Peninsular Malaysia. In accordance with this, the villagers' humble lifestyle is perceived as manageable, with the focus on the tourism industry in Perhentian Island to some extent providing them with job opportunities (Figure 3.6).



The lead women behind Perhentian Ladies Association (PILA) selling local desserts



The villagers who transferred the food from the mainland



The patrol boat



'Come again' signage before leaving the village

Figure 3.6 - Photographs of Kampung Pasir Hantu

Source: Author

Geographically, Perhentian Island consists of two main islands called Perhentian Besar (large Perhentian island) and Perhentian Kecil (small Perhentian) including some small uninhabited islets (Figure 3.4). Both of the islands provide options for

accommodation and facilities appropriate for different ages and budgets (Tourism Terengganu, 2014). It is however apparent that by catering to all types of tourists, the tourism development is perceived to be quite different. Perhentian Kecil is commonly known by the backpackers and independent tourists, as mentioned by Hamzah and Hampton (2013, p. 48), as “one of the ‘honeypot’ sites in northern peninsular Malaysia” on the backpacker trail. In fact, MOTOUR (2007) notes that “Perhentian Kecil is the most visited backpacker destination in Malaysia and has the highest per capita expenditure, which can be mainly attributed to their expenditure on scuba diving” (cited in Hamzah & Hampton, 2013, p. 51). This easily attracts travellers that seek cheaper accommodation than that in Perhentian Besar. This is because Perhentian Besar offers resorts leaning toward the high-end market compared to Perhentian Kecil, which caters for backpacker tourists with small-scale tourism accommodation and currently only has three mid-range resorts (Hamzah & Hampton, 2013).

The tourism infrastructure on Perhentian Island offers 47 accommodation for tourists to stay, including luxury resorts, medium and low-class chalets, dormitories and camping sites, as well as chalets located in Kampung Pasir Hantu (Tourism Terengganu, 2017a). The average rental rates range between RM150 - RM250 (£27 to £45) per night for an air-conditioned room, and between RM50 - RM100 (£9 to £18) per night for a fan room. These places start their operation in mid-February and continue business until the end of October every year due to the monsoon season. Despite the long break for business operators, an average annual occupancy rate (AAOR) for the opening period is commonly about 70% in Perhentian Besar and 80% in Perhentian Kecil (TPRG, 2014).

3.4.2 PREMIER ECOTOURISM DESTINATION

Under the circumstances of the outstanding growth of Perhentian Island, the stakeholders, especially the government agencies, are aggressively driven to reposition the island as a premier ecotourism destination. In other words, the government is eliminating small-scale tourism development in favour of formal and high-end resorts (Hamzah & Hampton, 2013). Despite having luxurious accommodation offered on the island, it is observed that there is no significant difference between the luxury and backpacker accommodation. Salmond (2010) argues that the lack of facilities provided on the island misrepresents the luxury

tag and that accommodation remains of a lower standard. Therefore, the government is taking a complete turn on repositioning the island as a premier ecotourism destination.

As previously discussed, the initiatives in developing ecotourism in Malaysia have been documented by the government in the National Ecotourism Plan (2016-2025) and the Eleventh Malaysia Plan (2016-2020). The plans emphasise maximising the potential of ecotourism and sustainability practices. This includes upgrading and developing ecotourism infrastructure. Besides the governmental bodies, the Malaysian ecotourism stakeholders, including travel trade professionals, academia, institutions and individuals, established the Malaysian Ecotourism Association (MEA) in 2007 aimed at the development of the Malaysian ecotourism industry (Abdullah, Weng & Fatah, 2018). Other organisations such as Ecotourism and Conservation Society (ECOMY) were also formed in 2015 by prominent Malaysian naturalists with the focus on conservation in sustainable ecotourism. On this premise, it is not surprising that the government is taking measures to position Perhentian Island as an ecotourism destination.

As stated by Ong (2016), to develop and grow successful ecotourism clusters a good synergy is needed between the stakeholders, including the operators, local communities and NGOs and the government. In order to achieve comprehensive ecotourism standards and sustainability, their inputs in managing and planning require engagement, public education and awareness programmes (Byrd, 2007, Ong, 2016). For this purpose, Table 3.5 presents the key players from government, NGOs and private agencies involved in the effort to reposition Perhentian Island as a premier ecotourism destination. The existing structure of governance on Perhentian Island consists of fragmented structures and roles. As a result, the management, planning and implementation of this premier ecotourism destination appears to have overlapping jurisdictions since there is no integration of the objectives and vision for the island (Tourism Planning Research Group [TPRG], 2014). Therefore, to overcome this issue, TPRG (2014) suggested that the government agencies and industry players be urged to collaborate in a single entity to manage and plan the destination to realize the plan.

Table 3.5 - Tourism stakeholders involved with Perhentian Island

Policy Makers, Planners and Implementers	Tourism Industry Players/ NGOs/ Institutions	Infrastructure Providers	Marketing and Promotion Agencies	Transportation Agencies
<ul style="list-style-type: none"> • Terengganu State Economic Planning Unit (UPEN) • Tourism Terengganu • Ministry of Tourism and Culture (MOTAC), Terengganu Office • Terengganu Marine Park Department • Terengganu Town and Country Planning Department (JPBD) • Department of Environment • East Coast Economic Region Development Corporation (ECERDC) 	<ul style="list-style-type: none"> • Malaysian Association of Hoteliers, Terengganu Chapter • Malaysian Association of Tour and Travel Agents (MATTA) • Terengganu Nature Tour Guide Association (TENAGA) • Kolej Terengganu Skills Development Centre (Kolej TESDEC) • Universiti Teknologi MARA (UiTM), Terengganu • Terengganu Tourism Association (TTA) • Perhentian Island Association of Operators Terengganu 	<ul style="list-style-type: none"> • Local Authority – Besut District Council • Besut District and Land Office • JKR Terengganu 	<ul style="list-style-type: none"> • Tourism Malaysia Terengganu • Tourism Terengganu • Hotel Operators • Travel Agencies 	<ul style="list-style-type: none"> • Terengganu Marine Department • Tourist Boat Operators Association of Pulau Perhentian • Association of Pulau Perhentian

Source: Adapted from TPRG (2014)

Basically, Perhentian Island’s current tourism offer is identified as an affordable, backpackers and natural island getaway. Its target to reposition the island as a premier ecotourism destination requires the destination to be the leading island destination that conserves and manage its marine and terrestrial resources.

3.5 SUMMARY

This chapter has presented an overview of the case study location in both Malaysia generally and Perhentian Island in particular. Tourism is important and continues to grow in its contribution to the Malaysian economy. With the attention given by stakeholders, especially the government, to reviving the performance of the tourism industry after the unfortunate events of MH370 and MH17, Malaysia has strongly progressed and grown to become one of the top three destinations in the Asian region after China and Thailand (UNWTO/GTERC, 2017). According to the Malaysian government, this positive performance can be attributed to the competent implementation of tourism planning that focuses on the structure of the tourism industry as well as the product development.

Tourism planning in Malaysia is under a federal system that comprises three different layers of government, namely federal, state and local (Hasliza, Saad, Khalid, & Abidin, 2015). Through this federal structural characteristic, the government has introduced tourism planning in a diversification effort to develop the country towards becoming a high-income nation as part of its Vision 2020. Among the planning formulated for the tourism sector in Malaysia, the introduction of niche products and events is aimed at growing tourism in the country. It is apparent that island destinations in Malaysia have become popular. This is particularly for the state that received the highest tourist arrivals for its marine parks, which is Terengganu. It is noted that the economy of the state is driven by the tourism industry, considering that the sector will replace the oil and gas industry as the biggest contributor to Terengganu's economy (The Star, 2017). Perhentian Island is hence an appropriate setting for research on TDC.

Perhentian Island is a popular choice for tourists. The recognition received for Perhentian Island shows that the elements of the island that tourists find unique are a competitive advantage. The government's efforts to reposition Perhentian Island as a premier ecotourism destination is also an advanced reform to boost competitiveness. Tourism Terengganu, together with the support of the federal and state governments and major players of the tourism industry such as tour operators, hotels and tourism associations have been working closely to ensure the tourism industry in Terengganu continues to implement marketing strategies and action plans to improve the development of the industry.

For the sustainable development of tourism on Perhentian Island, including its positioning as a premier ecotourism destination, it is vital that an understanding of TDC is improved for the island. Unpicking the relationships between TDC, TDI, quality of tourism experience and loyalty for this setting offers great potential for learning, the island itself and for island tourism destinations in general. In the next chapter the research methodologies are described.

CHAPTER 4

METHODOLOGY AND RESEARCH DESIGN

4.1 INTRODUCTION

This chapter aims to discuss and present the methodology, the research framework and the methods used to achieve the research aim and objectives. The research design applied in this study is discussed in Section 4.2, which introduces the empirical method to determine the procedure used to explore TDC within the context of Perhentian Island. The following Section 4.3 discusses the survey instruments in order to accomplish the research aim and objectives from the four phases of data collection using the questionnaire and semi-structured interviews. Section 4.4 provides the sampling strategies with the description of the field research, and the procedures applied for data collection. The data analysis methods to measure the variables are then discussed in Section 4.5 and the research ethics are presented in the final section (Section 4.6).

4.2 A RATIONALE FOR MIXED METHODS

The research area of TDC requires further investigation due to the inadequacy of existing models to explain competitiveness, specifically for small islands and the lack of validation of TDC variables in specific contexts (Azzopardi & Nash, 2016). Considering this underpinning, it is important for this study to have not only a qualitative dimension but also the quantitative to fulfil the study's objectives. The mixed method design is therefore suggested as it facilitates the development of strengths that best suit the needs of this research. This is important to the TDC study that gives emphasis to competitiveness assessment, resource prioritization and intervention, as well as result prediction (Azzopardi, 2011).

The mixed methods literature has been contributed to by the work of Greene, Caracelli and Graham (1989) on design decisions; Brewer and Hunter (1989) on research processes, and Morse (1991) on a notation system to integrate both qualitative and quantitative components together. As stated by Tashakkori and Creswell (2007, p. 4), mixed methods is defined as "*research in which the investigator collects and analyses data, integrates the findings, and draws inferences using qualitative, and quantitative approaches, or methods in a single study or program of inquiry*". In other words, the pragmatic methodology in a

single study or series of studies incorporates qualitative and quantitative designs, mixing methods of data collection, analysis and interpretation according to different stages of the research process. It provides a better understanding of the research problem compared to a single paradigm, managing to build on the strengths of independent approaches and balance the weaknesses (Jick, 1979). It allows the researcher to engage with the problems by using the “numbers and words” as well as the combination of “inductive and deductive thinking” (Creswell & Plano Clark, 2007, p. 9-10). However, a researcher may experience challenges with regard to the scale of data collection required, the time consumed to analyse text and statistical data, and fundamentally needs to be well-versed in both qualitative and quantitative approaches. It is highly dependent on the research objectives and researcher as to which methods to employ for the study. According to Maxcy (2003, p. 59), “*it is perfectly logical for researchers to select and use different methods as they see the need, applying their findings to a reality that is at once plural and unknown*”. The selection of the appropriate research method is in accordance with the research strategies and method to collect data (Creswell & Creswell, 2018). Table 4.4 shows the comparison between quantitative, qualitative and the mixed method approach for research methods.

Table 4.1 - Comparison between methods

Research approach	Knowledge claims	Strategy of inquiry	Methods
Quantitative	Post-positivist assumptions	Experimental design; survey	Measuring attitudes; rating behaviours
Qualitative	Constructivist and emancipatory assumptions	Ethnographic and narrative design	Field observations; Open-ended interviewing
Mixed method	Pragmatic assumptions design	Mixed methods	Closed-ended measures; open-ended observations

Source: Adapted from Creswell (2003)

This study takes advantage of the comprehensive approach of multiple or mixed methods as compared to the inadequacy of a single research method in solving the research problem. As reported by Koc and Boz (2014), analysis of the top three tourism journals (*Annals of Tourism Research*, *Tourism Management* and

Journal of Travel Research) over a period of ten years between 2003 and 2012 shows that for the data collection process less than one third of the journal papers used more than one method, or particularly, used of the mixed method. This is in line with the data gathered from the detailed review for the methodology in Table 4.2, which shows only 3 papers out of 55 papers reviewed applied mixed methods in their TDC study. Interestingly, it may be argued that there is still room for improvement in the field of tourism research, specifically TDC, in the application of this approach. As suggested by Greene et al. (1989), there are five major purposes or rationales for conducting mixed methods research (see Table 4.5).

Table 4.2 - Purposes and rationales for mixed methods research

Purpose	Rationale
Mixed method seeks convergence, corroboration, correspondence of results from the different methods.	To increase the validity of constructs and inquiry results by counteracting or maximizing the heterogeneity of irrelevant sources of variance attributable especially to inherent method bias but also to inquirer bias, bias of substantive theory, biases of inquiry context.
Complementarity seeks elaboration, enhancement, illustration, clarification of the results from one method with the results from the other method.	To increase the interpretability, meaningfulness, and validity of constructs and inquiry results by both capitalizing on inherent method strengths and counteracting inherent biases in methods and other sources.
Development seeks to use the results from one method to help develop or inform the other method, where development is broadly construed to include sampling and implementation, as well as measurement decisions.	To increase the validity of constructs and inquiry results by capitalizing on inherent method strengths.
Initiation seeks to discover paradox and contradiction, new perspectives of frameworks, the recasting of questions or results from one method with questions or results from the other method.	To increase the breadth and depth of inquiry results and interpretations by analysing them from the different perspectives of different methods and paradigms.
Expansion seeks to extend the breadth and range of inquiry by using different methods for different inquiry components.	To increase the scope of inquiry by selecting the methods most appropriate for multiple inquiry components.

Source: Greene et al. (1989)

In the context of this study, it was considered appropriate to adopt mixed methods. The reasoning behind this was that they could add considerable value to this study considering that the scope of the proposed theories in the research objectives demanded different stages or phases of methodology. The utilisation of mixed methods was vital to the study in order to generate the various themes and factors applicable for TDC in small island destinations such as Perhentian Island. The framework is based on multiple variables of the quality of tourism experience, TDI, and tourist loyalty and the integration of these components for TDC. The data collection for mixed methods is gathered by more than one source and can be subsequently applied to corroborate and elaborate the research problem (Hurmerinta-Peltomaki, 2004). In like manner, as proposed in this study, two sources of research participants were gathered from the tourism stakeholders and tourists visiting the island. Thus, the consistency of the mixed methods was essential for the reliability of this study. Table 4.6 depicts the link between the research objectives and approaches in order to explore the destination competitiveness on Perhentian Island. The approaches on data collection are based on how we address different outcomes such as quantitative, which refers to numerical, counting or enumerating, while qualitative is focused more on the speech, observations, written text or pictures of the specific matter (Lampard & Pole, 2015). Hence, the consistency from the use of both qualitative and quantitative, or mixed method would increase the reliability and credibility of the results.

Table 4.3 - Research objectives and approaches

Research Objective(s)	Approach(es)
1. To explore destination competitiveness from the tourism stakeholders' marketing perspective	Qualitative analysis: Semi-structured interviews with the tourism stakeholders
2. To understand the travel behaviour and visitor profiles of the tourists travelling to Perhentian Island	Quantitative analysis: Self-administered questionnaire with tourists travelling to Perhentian Island
3. To assess the island competitiveness relative to competing destinations and identifying important factors on determining destination	Quantitative analysis: Self-administered questionnaire with tourists travelling to Perhentian Island Qualitative analysis:

competitiveness for Perhentian Island by tourists and tourism stakeholders	Semi-structured interviews with the tourism stakeholders
4. To investigate the framework of destination competitiveness concepts and related methodological developments in the quality of tourism experience, destination image and tourist loyalty models	<p>Secondary data analysis: Literature review to identify the different studies undertaken in TDC studies and support the variables chosen to incorporate into the TDC framework.</p> <p>Quantitative analysis: Self-administered questionnaire with tourists travelling to Perhentian Island</p>

Source: Author

4.3 RESEARCH DESIGN

Based on the methodological position selected for the study, this section will further discuss the research strategy and methods to be applied. Generally, the mixed method design is primarily found in the social sciences field particularly in the tourism literature (see Bregoli, 2013; Gregori, Daniele & Altinay, 2014; Puhakka, Cottrell & Siikamäki, 2014; Rittichainuwat & Rattanaphinanchai, 2015). There are three types of mixed method design: exploratory, explanatory and convergent. Table 4.7 summarises the selection of the systematic design prior to the data collection by the researcher.

Table 4.4 - Types of mixed methods design

Design type	Variants	Timing	Weighting	Mixing	Notation
Convergent	Parallel database	Concurrent: Quantitative and qualitative at the same time	Usually equal	Merging the data during the interpretation or analysis	QUAN+QUAL
Explanatory	Follow-up explanations	Sequential: quantitative followed by a qualitative	Usually quantitative	Connect the data between the two phases	QUAN→qual
Exploratory	<ul style="list-style-type: none"> • Instrument development • Theory development 	Sequential: qualitative followed by a quantitative	Usually qualitative	Connect the data between the two phases	QUAL→quan

Source: Harrison III (2013) adapted from Creswell and Plano Clark (2007); Harrison and Reilly (2011)

The designs are individually different in purpose, which portrays a set of data gathered at the same time (concurrent) or in a chronological order (sequential). The concurrent or convergent design emphasises the emergence of qualitative and quantitative data to provide a comprehensive analysis of the research problem (Creswell, 2013). The sequential explanatory design is a design in two distinct phases that explore the findings of quantitative surveys followed by a qualitative study in order to inform and explain the quantitative results obtained in the first phase (Mendes, 2011). Nonetheless, the options of both mixed method designs are deemed to be unfit for the research objectives. This is owing to the purpose of the study, which required preliminary work to explore competitiveness from the marketing strategy and practices by the tourism stakeholders for Perhentian Island. Unpicking this underlying process needed to draw on interviews, as suggested by Sekaran and Bougie (2010), due to their exploratory in nature. The richness of the collected data using qualitative approaches contributes to a valid and reliable way of interpreting and coding (Moretti et al., 2011), which is crucial particularly in identifying the important factors that influence competitiveness from the point of view of the tourists travelling to Perhentian Island. As discussed in Chapter 2, the attributes of destination competitiveness vary from one destination to another especially for a destination like a small island. Therefore, a sequential exploratory design is considered the most appropriate strategy for this study due to the importance of the qualitative approach, as shown in Table 4.6 in building the instrument design for analysis of TDC attributes employing the quantitative approach. The emphasis on the first phase of qualitative data assisted the researcher in instrument development of the survey questionnaire for the third phase of quantitative data collection. At the same time, the question relating to TDC attributes was also identified from the other stakeholders' perspective. This was to answer objective three of the study, which would compare both perspectives on the priority TDC factor among the tourists and stakeholders.

The sequential mixed methods design was applied according to stages in succession, with one phase depending on the other. Figure 4.1 signifies the process of identifying the aim of the research to understand, evaluate and enhance island destination competitiveness, which incorporates different themes of quality of tourism experience, TDI, TDC and tourist loyalty in the context of

different phases of tourism experiences. The study addresses the research objectives that seek to analyse and understand island destination competitiveness in four separate stages of quantitative and qualitative methods according to different data sources (see Figure 4.1). By this mixed approach, it is possible to identify the views from the demand and supply sides of Perhentian as an island destination.

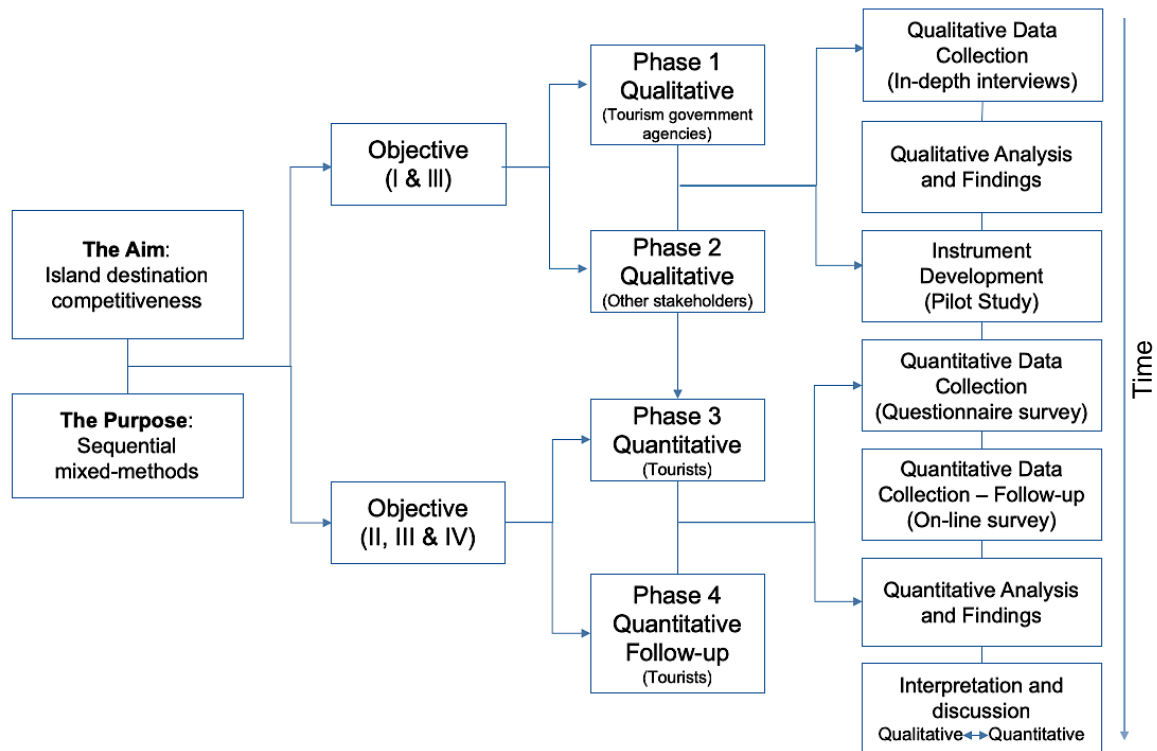


Figure 4.1 - Exploratory sequential research design

Source: Author

4.3.1 FIRST AND SECOND PHASE QUALITATIVE DATA COLLECTION

This section examines the qualitative methodology and methods applied in the first and second phase to identify destination competitiveness practices in terms of marketing perspectives and views of the tourism stakeholders. The overall qualitative data (phases one and two) is to fulfil the first objective of the study. This highlights the strategies in their marketing activities to promote the destination and attract more tourists. Subsequently, the information received portrays the practices applied to position Perhentian Island in the competitive tourism market. It is important to consider the sampling method for the respondents within the group of stakeholders for tourism studies (Yuksel,

Bramwell & Yuksel, 1999). This is due to the value of the insights that can be enhanced significantly by approaching those who are involved particularly in promotional and marketing activities.

Hence, this research used purposive sampling to obtain the qualitative data. Purposive sampling is framed around selecting subjects who have the knowledge or are in the best position to provide information required for the data collection (Sekaran & Bougie, 2010). With this in mind, the researcher was able to increase the understanding of destination competitiveness perceived by the tourism stakeholders as they are one of the main facets in tourism development of the island. The TDC study using a qualitative approach acknowledges the multiple realities that exist in interpreting the findings as tourism in reality is socially constructed and holistic (Decrop, 1999; Goodson & Phillimore, 2004; Komppula, 2014). The representatives were chosen according to their dominant position in the field of marketing and destination promotion for Perhentian Island. They are considered to be the most knowledgeable on the discussed topic as they are the decision makers in the organisations. The participants were required to have three basic qualities: (i) the expertise, knowledge and perspective in tourism development that met the conceptual and informational needs of the study; (ii) the ability to articulate their understanding and opinions on destination competitiveness and (iii) the disposition and availability to share their experience (Azzopardi & Nash, 2011). Hence, the coordination of the participants' selection began with the top senior officials as well as other subordinates in the organisation that hold a crucial position in managing the marketing and promotional activities of tourism development in Terengganu, specifically Perhentian Island.

The data collection for this method was based on semi-structured interviews to examine, analyse and interpret behaviours or phenomena (Creswell, 2015; Bryman, 2016). The data collected consists of the understanding of policies, implementation issues, the responses and effect (Lievens, Lindelow & Serneels, 2009). These inputs are highly valuable in the field of TDC as the collecting of information is time-consuming and requires a substantial amount of preparation (Azzopardi, 2011). Selected interviewees were given the opportunity to pursue freely and elaborate the ideas in more detail with the implementation of the semi-

structured interview. The flexibility of using this approach gave exclusive insights that were useful to the understanding of TDC from their perspectives whilst allowing the researcher to have some structure during the interview.

It is important to note that there is a key difference between the first and second phases of qualitative data collection. The difference is that an additional open-ended question with the basis of TDC factors was identified in the first phase of data collection with the tourism government agencies of Tourism Terengganu and the Ministry of Tourism Malaysia Terengganu. In particular, both of these tourism government agencies were selected because of their dominant position in promoting the island. Subsequently, the question was asked to the other stakeholders, which consist of hoteliers, travel agents and other government agencies. The reason for this additional question in the second phase was to identify the extent of congruency of other tourism stakeholders on the attributes of TDC with the expectations of tourists. This was an important step in answering the third objective of the study.

4.3.1.1 INTERVIEW GUIDE DESIGN

As regards to the survey instruments, the semi-structured interview consists of a total of 20 questions that are divided into three constructs. The constructs consisting of preconditions, processes, and outcomes were identified by Wang (2004) through destination marketing alliances and networks. As illustrated in Table 4.8, representing the topics of interest under each construct, the focus of the construct and questions used to assess the topics of interest (see **Appendix 3** for the full semi-structured interview script). The first group of questions (Q1-Q5) are about the preconditions of the marketing activities executed for Terengganu in general by the stakeholders. This group of questions is focused more on the understanding of support needed in marketing purposes such as creating networks and other forms of environmental factors that facilitate their marketing operations. It also gives the perceptions of the things that need to be considered before actions are taken for any promotional activities.

Table 4.5 - A summary of interview constructs, topics, focus and related questions

Constructs	Topics	Focus	Questions
Preconditions	Environmental factors facilitating marketing activities.	General; Network; Organisation support capacities.	<ol style="list-style-type: none"> 1) What do you think is the role of the government/organisation in general and in marketing Terengganu? 2) For your marketing activities, what sectors of the tourism industry are you working with the most, and why? 3) Besides working with the local tourism industry in your destination, what other organisations do you work with at the regional, national, or even international level in your marketing activities? What kind of marketing activities are you involved in with these organisations? Please give me some examples. 4) What kind of organisational support do you need to have in order to facilitate the marketing activities? How important do you think they are and why? 5) Are there any environmental factors you are aware of which contribute to your marketing activities with the local tourism industry? Please give examples if you can.
Process	Dynamic and developmental process of marketing and related issues.	Stages of marketing and level of involvement; Conflict management; Problems encountered.	<ol style="list-style-type: none"> 6) What are the major kinds of marketing activities used to promote Perhentian Island as a tourism destination? 7) What are the important elements of an island that are crucial to promoting the destination? 8) How do you identify the marketing issues you need to work on? 9) How do you identify the marketing process from the rivalry perspectives? 10) What measures do you take to make certain that your marketing activities are executed successfully? 11) How do you monitor progress and evaluate the overall success of your marketing activities? 12) What are the criteria used to measure success? (i.e. total revenue, number of visitors, hotel rooms sold, number of required visas, etc.)

			<p>13)What does the marketing segment of islands in Terengganu seek to attract? What are the main markets in terms of both domestic and international tourists?</p> <p>14)What is the cycle of marketing directed to the destinations? Is it done on a calendar basis? What are the specific reasons for using that?</p> <p>15)What are the main media used to transmit the advertisements and which are considered most effective?</p> <p>16)What is the impact of the recent crises on tourism in the islands? (such as terrorism on the island at Sabah or other major events). What has been done to respond to these challenges in Terengganu of the destination image of these islands?</p>
Outcome	Results and outcomes of marketing and destination competitiveness.	Strategic oriented; Competition.	<p>17)What positive outcomes have the successful marketing practices had on the traveller's perceptions of Perhentian Island images? How about the negative outcomes, are there any contingency plans?</p> <p>18)According to your experience, what factors are important in maintaining destination competitiveness for an island?</p> <p>19)What aspects differentiate or could differentiate these islands from other island destinations? What island destinations do you consider to be the main competitors for Perhentian Island?</p> <p>20)Is there anyone else that I should speak to for additional information or are there documents that I can review? Is there anything additional you think I should be aware of that may be pertinent to this study?</p>

Source: Author

Subsequently this led to the second group of questions focusing on the marketing process (Q6-Q15) directed to the research setting of Perhentian Island. Specifically, in this process the key factors in guiding the researcher to identify to the development of the marketing and issues were the stages involved, the forms of actions taken, the conflict management in the whole process and direction of these components towards a successful marketing process.

Finally, these implementations led to the outcomes of the semi-structured interview which is to identify the key attributes of TDC in Perhentian Island. The result was used to design and develop survey instruments for the quantitative method and as a basis for the second phase qualitative method. Another outcome of the semi-structured interview was to obtain an overall understanding of TDC by the tourism stakeholders. The questions regarding destination competitiveness on Perhentian Island became visible through the outcome phase which was derived from the result of their marketing activities (Q17-Q20).

4.3.2 THIRD PHASE QUANTITATIVE DATA COLLECTION

As presented in Figure 4.1, the outcomes from the semi-structured interview (qualitative data collection) in the first phase would inform the construction of a questionnaire for the third phase quantitative. An initial survey was developed prior to fieldwork but was revised following the semi-structured interviews. After the interview the design of the questionnaire was altered particularly for the TDC section (see section C in **Appendix 4**) as the key factors were found to be different to other destinations used in past research. Hence, the semi-structured interview with the tourism government agencies played an important role in validating and understanding the specification of Perhentian Island TDC factors.

This phase employed convenience sampling for the distribution of the questionnaires. Convenience sampling is categorised as non-probability or non-random sampling. In this case, the selected target population was among domestic and international tourists who were experiencing on-site attractions at Perhentian Island that were willing to volunteer, were available at a certain time and were easy to reach. These tourists were approached using a self-administered questionnaire to access their perceptions of destination

competitiveness with the understanding of other variables including the quality of tourism experience, TDI, TDC and tourist loyalty.

4.3.2.1 QUESTIONNAIRE DESIGN

The questionnaire survey was divided into five main sections, which consisted of the measurement from the variables of the quality of tourism experience, TDI, TDC, tourist loyalty, tourist demographic and travel profiles. The set of quality of tourism experience (Q1-Q25) comprises framed the chronological and temporal aspects of tourism experience in different travel phases (1) the pre-trip planning phase, (2) the en-route phase and (3) the destination on-site phase. However, this phase only covers until the on-site travel experience due to the application of the after-trip travel experience as the fourth phase of quantitative data, which was designated the follow-up. The summarisation of the questionnaire phases, focus and related questions are shown in Table 4.6.

These questions were followed by a set of TDI questions (Q26-Q32) consisting of seven image attributes to cover the overall image observed by the tourists arriving at the destination (Table 4.7). The attributes selected draw on the findings of Prayag and Ryan (2012), who emphasise the typical island destination themes such as friendly people, scenery, culture and a sense of the exotic. The term ‘exotic’ for an island destination is associated with both tangible and intangible elements consisting of pristine beaches, a beautiful landscape, rich biodiversity and cultural diversity that is seemingly attractive to the Western tourists (Baldacchino, 2016; Prayag, 2009; Ramseook-Munhurrun, Seebaluck & Naidoo, 2015).

Table 4.7 – The image attributes of Perhentian Island

Image of Perhentian Island
26) The place has cultural and historical attractions
27) The place is culturally diverse
28) The place offers a variety and good quality of accommodation
29) The level of service is good in general
30) The place is easily accessible as a holiday destination
31) The place offers exotic and beautiful beaches
32) The place has a favourable overall destination image

Source: Adapted by Prayag and Ryan (2012)

Table 4.6 - A summary of questionnaire phases, focus and items

Phases	Focus	Items
Pre-Trip Planning Phase	Respondents' experience with planning and making travel arrangements to the destination.	1) Having plenty of time to plan the trip. 2) Having easy access to the information related to the destination. 3) Being able to get abundant information related to the destination. 4) Receiving high quality services from professionals (travel agents, hotel reservation staff, visitor centre staff, etc.) when planning the vacation. 5) Making problem-free vacation arrangements (transportation, hotel, etc.). 6) Having reasonable prices for the vacation (transportation, accommodation, activities, etc.).
En-Route Phase	Respondents' experiences with the travel to the destination.	7) Having easy access to the destination from home. 8) Safe transportation to and from the destination. 9) Comfortable transportation to and from the destination. 10) Receiving clear directions and guidance. 11) Receiving high quality services in transit to the destination. 12) Having problem-free travel to the destination.
On-Site Phase	Respondents' experience at the destination.	13) Favourable weather/climate at the destination. 14) Unique tourism resources (natural scenery, historic/cultural/heritage site, etc.). 15) High quality of accommodation at the destination. 16) High quality of food at the destination. 17) Good facilities at the destination. 18) Having a variety of activities/entertainment to choose from at the destination. 19) Overall reasonable prices at the destination. 20) Receiving high quality service at the destination. 21) Clean environment at the destination. 22) Pleasant interaction/communication with the local people at the destination.

		23) User-friendly guidance/information at destination. 24) Ensured safety and security at the destination. 25) Pleasant interaction/communication with the service personnel at the destination.
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Source: Author

Questions on perceived destination competitiveness (Q32-Q55) were initially derived from the previous literature as a guideline before the first phase was conducted. The key TDC factors selected focus on small island core tourism attractors and resources that are similar to this research setting (see Table 4.8). Adjustment was made prior to the questionnaire distribution according to the outcome of the semi-structured interviews with the tourism government agencies after a set of important factors that are relevant to Perhentian Island destination competitiveness were established. Although it could be said that using these classifications of attributes from the past literature is sufficient to measure TDC in this research setting, some factors may vary from one destination to another. Thus, the evaluation is crucial to achieve quality and valid data.

Table 4.8 - The key factors of TDC

Core Tourism Attractors and Resources
32) Sun, sea and beaches
33) Visual appeal (landscape, scenery)
34) Panoramic sea views
35) Climate/weather
36) Cleanliness
37) Culture and history
38) Village core/ quaint villages
39) Hospitality (friendliness, warmth, helpfulness)
40) Nightlife and bars
41) Special events/ festivals
42) Outdoor activities (jungle trekking, walks)
43) Music, concerts and performances
44) Water activities (sailing, swimming, yachting)
45) Diving
46) Mix of tourism (health, medical, weddings, honeymoon)
47) Island charm/ exoticness
48) Relaxation/ care free opportunities
49) Shopping opportunities
50) Accommodation mix
51) Concentration of tourism attractions (within a short time/ distance)
52) Quantity and quality of public infrastructure

Source: Adapted by Azzopardi (2011)

In the travel profile section of the questionnaire, the respondents were required to list three island destinations that they would consider travelling to besides Perhentian Island. The purpose of this question was to guide the respondents in completing the questionnaire with a mindset in relation to the concept of

competitiveness. Various tourism studies have applied a similar approach to their questionnaire survey (e.g. Azzopardi, 2011; Gomezelj and Mihalič, 2008; Meng, 2006). Moreover, this question was also applied to identify whether the competitors stated by tourists are similar to the tourism stakeholders' competitors benchmark for the island. The finding is one of the questions that addresses objective three, which assesses the island competitiveness relative to competing destinations.

The next logical step is to assess the overall Perhentian Island competitiveness as an island destination (Q53). This question gave the idea to the position of the destination in today's competitive tourism market. After the destination's competitiveness was identified, a set of tourist loyalty variables (Q54-Q55) was used to assess the tourists' behaviour and specifically, whether they wanted to revisit or recommend the island to friends and family. The last part of the questionnaire focused on the section of tourist characteristics. This addresses objective two, which is to understand the travel behaviour and visitor profiles of the tourists travelling to Perhentian Island.

4.3.3 FOURTH PHASE QUANTITATIVE DATA COLLECTION

This phase aimed to identify the respondents' post-trip reflections after they arrived home from the trip, as it is the last phase in the quality of tourism experience variable. Moreover, the tourists were asked again on the tourist loyalty variable to identify if there had been any changes to the pattern of the answers on-site and after-trip. The respondents were contacted through e-mail addresses to answer the after-trip reflection phase through an on-line survey. A question was provided in the questionnaire survey for the respondents that were approached on-site to participate in the follow-up survey. Those who volunteered to participate were given options to be contacted through e-mail address or postal mail to their home addresses, but all the respondents that agreed chose e-mail address. In order to ensure that respondents actually received the e-mail, the researcher set an e-mail program that provides an automatic reply to address an opened e-mail. Table 4.9 shows the summary of the focus and items for the after-trip reflection phase.

Table 4.9 - A summary of follow-up questionnaire phase, focus and items

Phase	Focus	Items
After-Trip Reflection Phase	Respondents' post-trip reflection about their vacation experience.	<ol style="list-style-type: none"> 1) Having memorable items to bring back home (photographs, souvenirs, etc.). 2) Getting good value for money for the whole trip. 3) Having a sense of freedom during the vacation. 4) Feeling relaxed and refreshed after the vacation. 5) The feeling of having spent quality time with family and friends. 6) Feeling a sense of life-enrichment after the vacation. 7) Feeling a sense of personal reward after the vacation.

Source: Author

4.4 DATA COLLECTION

After the detailed discussions on the three phases of data collection, this section focuses on the setting of the research, target population and sampling procedures.

4.4.1 FIELD RESEARCH

It is important to emphasise that the researcher was provided a scholarship provided by the Malaysia Ministry of Education. Therefore, due to the sponsorship's policy the researcher was only able to collect data for three months. The time for data collection in Malaysia was fully consumed for data gathering for the first three phases but the researcher was not able to do the follow-up phase. Due to the time constraint, the researcher had made arrangements for the semi-structured interviews with the tourism government agencies via e-mail and telephone calls before the data collection took place before leaving the United Kingdom. Because of this, the researcher was able to get a head start with the first phase as she arrived in Malaysia, which gave her ample time to concentrate on the second phase afterwards. As shown in Figure 4.2, the first and second phases of the qualitative data collection was conducted in mid of February until the end of March 2017. Since there were eight respondents, the month of February was focused on the tourism government agencies to obtain the TDC attributes before interviewing other stakeholders. The average time length for the interview was about between 60-80 minutes per

participant. The interviews took place at Terengganu, Kuala Lumpur and Putrajaya, where the main offices are located. The researcher was able to schedule the interviews in the same state or federal territories to save the time and cost of travelling.

Before the start of the third phase data collection, a pilot study was conducted to ensure that the wording of the questions was clear and precise. The pilot study was arranged in a shorter time during early April 2017. Afterwards, from mid-April 2017 to the end of May 2017 the questionnaire survey was ready for distribution on Perhentian Island. The chosen period is known to be the peak period for tourists visiting this island after months of being closed (November to February) due to the monsoon season. Hence, data collection was organised within that month to achieve the designated sample size. Finally, as presented in the timeline (Figure 4.2), the third phase qualitative data collection was collected from early June 2017 to the end of July 2017, which was about two months, considering the time the researcher had to wait for the respondents to arrive home from their trip. It was not necessary for the researcher to be in Malaysia for this phase, hence it explains the extension of time taken after three months.

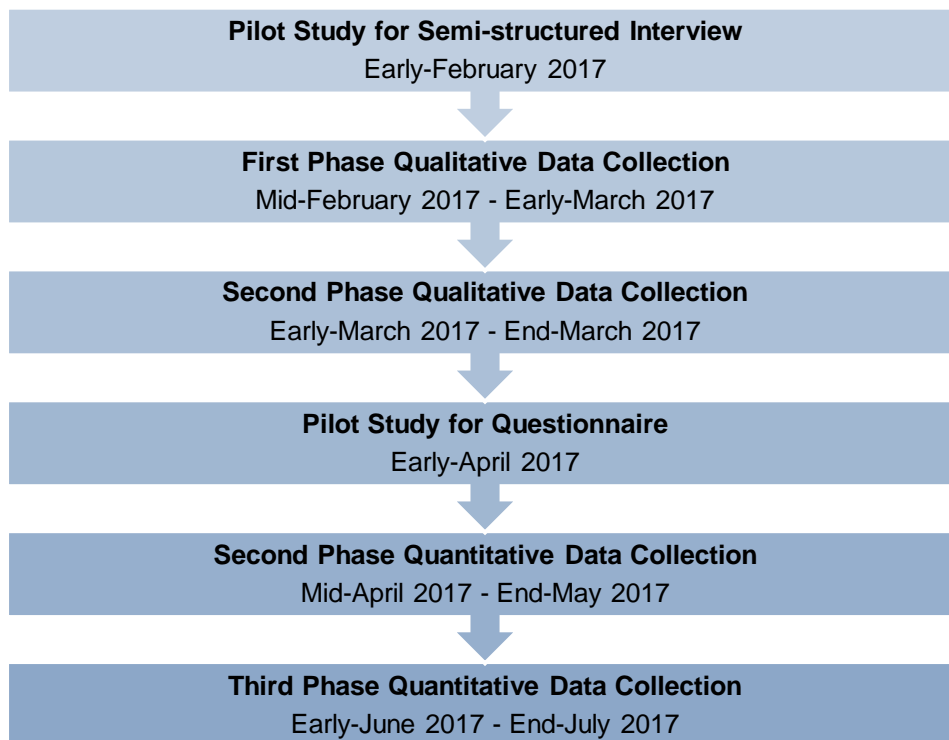


Figure 4.2 - Three months (February to July 2017) data collection timeline

Source: Author

4.4.2 PILOT STUDY

As mentioned above, a pilot study was conducted in early February 2017 for the semi-structured interview. Prior to this phase, the supervisory team examined the questions to confirm the wording was sufficient and accurate. This was important to ensure that the concepts of the questions were in line with the study and objectives. The pilot study for the quantitative data collection was conducted early April 2017 after the first phase of the qualitative data collection. It was necessary to arrange a pilot study for the purpose of scale items validation before the final survey could be prepared. A pilot study is appropriate to be undertaken if the instrument is newly developed and optional if the majority of the items enclosed in the research instrument are replicated from previous studies (Sekaran & Bougie, 2010). This is in line with this study as the TDC questions were developed according to the understanding of the experts from the tourism government agencies and as the other questions had been adapted from the previous tourism studies.

The pilot study was tested among 30 friends and family of the researcher who had visited and experienced Perhentian Island during the previous 12 months. This is in accordance with the recommendation given by Malhotra (2008) that the sample size for the pilot study is normally small, ranging from 15-30 respondents. In addition, the 12-months' timeline is considered to be part of the criteria as it is consistent with the marketing and promotional activities for a year plan only. In addition, the pilot study was not used for the analysis of the study.

4.4.3 SURVEY POPULATION

In research methodology, one of the important aspects of survey research is the population, which is a group of entities consisting of people, organisations or institutions that share a common set of characteristics and that agree to participate in a study in order for the researcher to draw conclusions and findings of the study proposed (Wiid & Diggins, 2010). The population for this study was leisure tourists who experienced the tourist attractions and activities on Perhentian Island. Specifically, the leisure tourists that were approached were at least 18 years old or above and stayed for a night at one of these islands. The population of the tourists visiting the islands were obtained from the tourist arrivals reported by Tourism Terengganu (2017a) (Table 3.4).

4.4.4 SAMPLE SIZE

Considering the population, this study narrows down the observation by using a smaller number of units to draw conclusions from the whole population. Even though it is uncommon for a researcher to aim for full coverage of a large population for survey purposes, it is suggested that the sample should be large to provide more accuracy in making inferences (Creswell & Creswell, 2018). Nonetheless, the literature recommends the existence of a positive relationship between the number of items and the sample size representing a ratio exceeding a minimum of 1:4 or 1:5 (Hinkin, Tracey & Enz, 1997; Tabachnick & Fidell, 1996).

Therefore, it was decided that the sample size of a minimum of 250 respondents would be gathered in order to guard against error and permit an allowable error rate of less than 5 percent at the 95 percent confidence level. The aim for this study was to secure at least 300 respondents travelling to Perhentian Island to ensure the reliability and validity of the study, and to make it roughly representative of the population. However, upon the completion of the third phase quantitative data collection, the researcher only managed to collect 213 usable answered questionnaires, in large part due to time constraints as explained previously.

4.4.5 SURVEY SETTING

The respondents were gathered at the beaches along Perhentian Kecil (The Small Island) and Perhentian Besar (The Big Island). These areas are specifically known as Coral Bay (west coast), Long Beach (east coast) and Perhentian Island Resort (Figure 4.3 and 4.4). Considering these spots are among the most visited areas on Perhentian Island, the researcher decided to approach these areas to gain a higher number of respondents within the limited time for data collection. Long Beach is a long stretch of beach with many types of accommodation and entertainment, which steals most of the attention of the tourists for the nightlife. Despite having inadequate facilities, Long Beach is also known as a 'party beach' due to its offering of many bars, which attracts younger tourists (Hamzah & Hampton, 2013) while Coral Bay is where the main jetty is for those who are visiting the small island. Unlike Long Beach, it is one of the spots where tourists who seek a quieter and romantic experience go and attracts slightly older tourists and more families (Hamzah & Hampton, 2013). The Perhentian Island Resort, on

the other hand, is known for its turtle sanctuary. Hence, this spot is commonly packed with tourist boats that stop at its famous snorkelling spot.



Figure 4.3 - Areas for data collection

Source: Author



The jetty



Night entertainment at Long Beach



View of Perhentian Island from the windmill



Coral Bay area

Figure 4.4 - Photographs of data collection area

Source: Author

The data collection took a whole day except for at night and breaks in the afternoon where the group of snorkelers, divers and tourists took shade from the sun. It is common to see many international tourists on the beaches in the morning until noon. The domestic tourists start to flock to these beaches in the evening when it is a bit cloudy. This pattern can be seen especially on the weekend, when many of the domestic tourists come to visit the island.

4.5 DATA ANALYSIS

According to Figure 4.1, there are two different types of data analysis processes that are associated with the qualitative and quantitative approaches. The following section begins with a discussion on qualitative data analysis before proceeding to the quantitative data analysis process.

4.5.1 QUALITATIVE DATA MANAGEMENT

Thematic analysis was used to analyse the qualitative data from the semi-structured interviews. The researcher rendered the content and identified themes, which were then be assigned into categories. These categories were formed by the frequency of the words or name described by the respondents (Smith, 2015). Basically, the qualitative research methods require at least three stages of data analysis, which consist of data reduction, data display as well as conclusion drawing and verification (Miles & Huberman, 1994). Al-Masroori (2006) identified these stages through different analysis techniques including contact summary sheet, codes and coding, pattern coding and memoing. As suggested by Miles and Huberman (1994), the data went through data reduction and coding techniques with the purpose of selecting, focusing, simplifying, abstracting and transforming the data received. Therefore, the information process for semi-structured interviews in this study was initially received through an informal analysis based on the recorded interviews. Consequently, the information from the recordings was then transcribed and coded into predetermined themes from the literature or new themes to match a pattern to form the findings. For this purpose, a qualitative analysis tool from QSR International called NVivo was used for its facilitation of the process of data storage, coding, retrieval, comparing and linking. This approach was expected to provide insights about the tourism stakeholders' marketing activities on Perhentian Island, which would subsequently give an understanding of destination competitiveness within the organisations. The TDC attributes of the island were obtained from the tourism government agencies to inform the TDC section in the questionnaire.

4.5.2 QUANTITATIVE DATA MANAGEMENT

The raw data obtained from the questionnaire went through a series of analyses, including descriptive statistics and inferential statistics. The indicators of the constructs in the questionnaires for the quantitative data were tested using the Statistical Package for the Social Sciences (SPSS) software based on univariate, bivariate and multivariate techniques, as summarised below.

4.5.2.1 DESCRIPTIVE ANALYSIS

The descriptive analysis provides the frequency, percentage, mean score and standard deviation of the data to be reported in the distribution of scores of all relating variables associated with the characteristics of the tourists visiting Perhentian Island. It is noted that this dimension was used to address the second research objective. The descriptive method also indicates the sample and demographics information for the subsequent analyses.

4.5.2.2 INFERENCE ANALYSIS

The main purposes of inferential analysis for the context of the study are to identify the (1) relationship between tourist characteristics, quality of tourism experience and TDI, and (2) the mediating impact of TDC on the relationship between quality of tourism experience and TDI on tourist loyalty. The inferential analysis was first tested using non-parametric analyses in the form of the Mann-Whitney U (Mann & Whitney, 1947) and Kruskal-Wallis (Kruskal & Wallis, 1952). This was to identify the characteristics of the tourists that have an impact on the preferences of tourists' quality of tourism experience and TDI as important variables to the island's destination competitiveness framework. In essence, the analyses were conducted in order to predict the probability that an individual belonged to a specific group constructed based on tourist characteristics using categorical and continuous measurements (see Figure 4.5 for the analysis model of this relationship).

The study implemented non-parametric analysis for the 11 different dimensions of tourist characteristics. The non-parametric technique is suitable for data measured on nominal (categorical) and ordinal (ranked) scales (Pallant, 2016). In particular, the technique consists of two requirements or assumptions, which are random samples and independent observations (Field, 2009). From the context of the study, the first assumption regarding the random sampling was violated but the second assumption on the independent observations was fulfilled. This is because this study employed convenience sampling for data collection among the tourists on Perhentian Island that appeared not more than once in a group or a category.

Given the violation, it is important to note that it is common to find the utilisation of inferential statistics in the data that came from convenience samples as compared to random samples (McHugh, 2013). Thus, it is considered appropriate to analyse the relationship between the tourist characteristics, quality of tourism experience and TDI using the non-parametric statistics of Mann-Whitney U and Kruskal-Wallis. The need for the adoption of the non-parametric techniques was particularly heightened given the number of analyses that needed to be managed as it involved 11 various dimensions of tourist characteristics that were measured using both categorical and continuous scales. Furthermore, each of these 11 dimensions of tourist characteristics was analysed twice against the two different dependent variables of quality of tourism experience and TDI (sub-section 6.2.6).

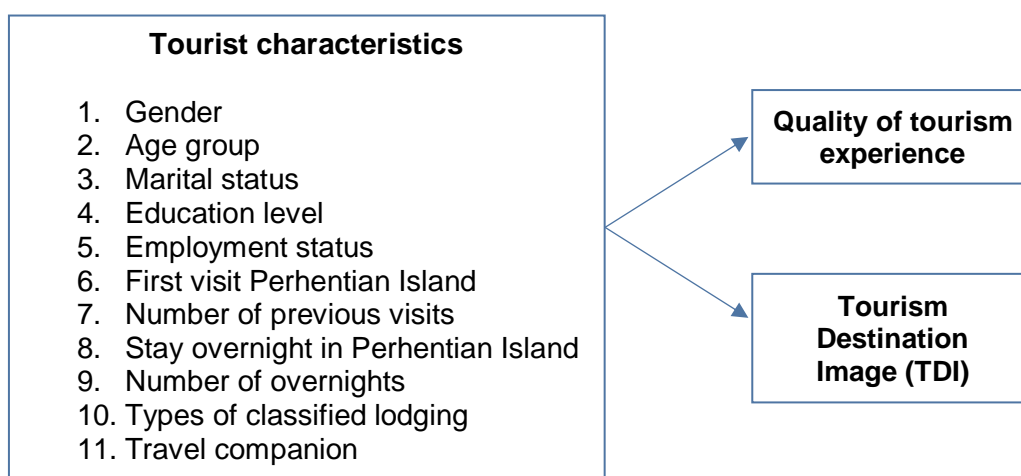


Figure 4.5 - Analysis model of tourist characteristics and importance of quality of tourism experience and tourism destination image

Source: Author

The next part of the inferential analysis are the hierarchical linear and multiple regression analyses, which were implemented to examine the relationship between quality of tourism experience, TDI, TDC and tourist loyalty using the six selected control variables from the tourist characteristics. Figure 4.6 shows the analysis model of the relationships with the selected control variables. The influence of the chosen control variables in the model equations was controlled using hierarchical multiple regression with the condition that it is not measured as the main analyses (Field, 2009; Pallant, 2016).

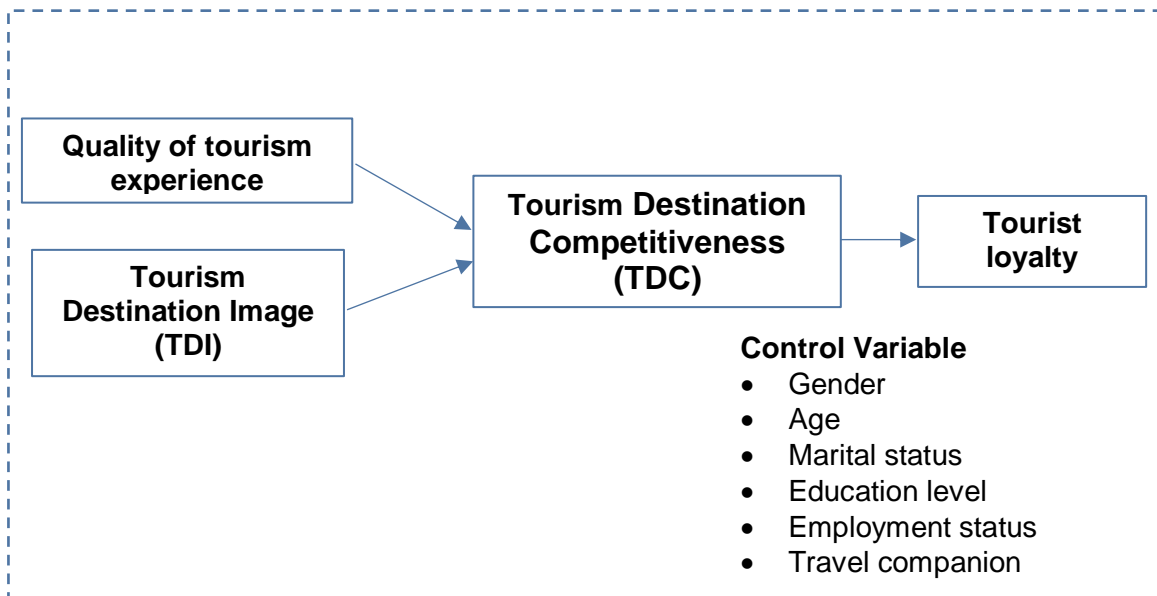


Figure 4.6 - Analysis model of quality of tourism experience, tourism destination image, tourism destination competitiveness and tourist loyalty with the six selected control variables

Source: Author

As for the mediating analysis, there are three steps before considering the function of the variable TDC as a mediator and the extent to which it affects the influence of the independent variable (quality of tourism experience and TDI) on the dependent variable (tourist loyalty). The TDC variable functions as the mediator when it meets the following condition: 1) variations in levels of the independent variable have statistically impact on variation of the presumed mediator; (2) variations in the mediator significantly account for variations in the dependent variable; and (3) when the relationships in the first and second conditions are controlled, a previously significant relationship between the independent and dependent variable is no longer significant or it is significantly decreased but with the strongest form of mediation appearing when the relationship is zero. The conditions adopted by Baron and Kenny (1986) are presented in Figure 4.7.

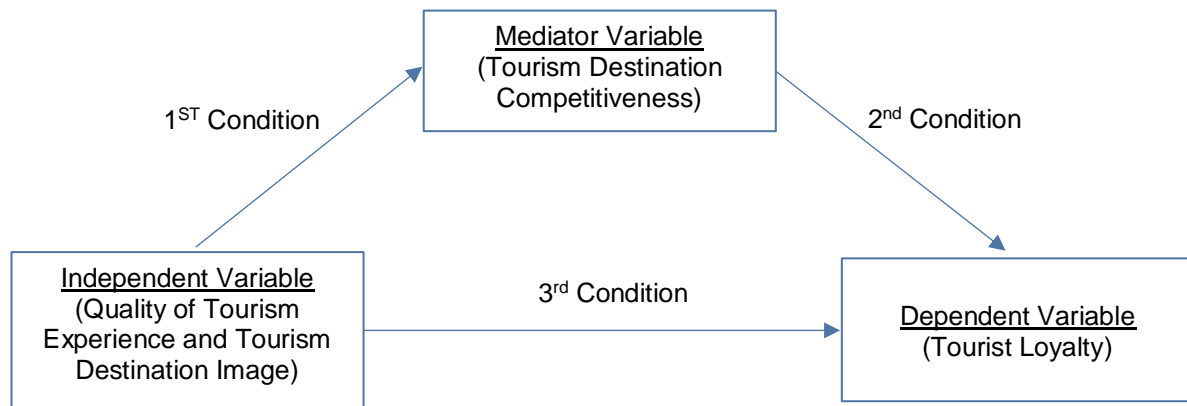


Figure 4.7 - Basic causal chain involved in mediation

Source: Baron and Kenny (1986). Note: *The numbers 1, 2 and 3 correspond to the 3 conditions or steps to test for mediation analysis*

Finally, it is noted that there is an extensive list of assumptions that need to be fulfilled for a parametric approach to be employed when estimating models in the hierarchical regression analysis. As stated by Pallant (2016), the assumptions that need to be fulfilled to ensure the accuracy of the result are sample size, multicollinearity, treatment of outliers, normality, linearity, homoscedasticity and independence of residuals. Through these examinations of these factors, the results of the model estimation can be treated with more confidence as the fulfilment of the assumptions would reduce the possibilities of bias or inappropriately estimated models (Field, 2009; Hair, Black, Babin & Anderson, 2010). However, Hair et al. (2010) suggest that fulfilling all the statistical assumptions can be difficult. As Pallant (2016, p. 64) argues, “many scales and measures used in social sciences have scores that are skewed, either positively or negatively”. For this reason, it is very important to have an understanding of the ‘right balance’ between the need to meet the assumptions and the implications if any of them are to be violated against the robustness of the parametric statistical technique and research context (Hair et al., 2010). Due to the complex nature of the process, the extensive list of the assumptions for this particular topic is presented in **Appendix 8**.

4.6 RESEARCH ETHICS

Ethical issues that needed to be addressed prior to data collection included data management and the need to acknowledge the responsible manner and safe environment for the researcher. This is based on the UK laws and Exeter University's policies in safeguarding the safety, rights, dignity, confidentiality and anonymity of the tourists and tourism stakeholders in Terengganu. The researcher took precautionary measures in record management as the nature of this research involves considerable amounts of quantitative and qualitative data.

There were concerns in regard to the safety of the researcher during the fieldwork as the researcher conducted questionnaire research in tourist destinations in Malaysia. The researcher had to be alone for part of this, but Malaysia is her country and so she was familiar with the research environment. Nonetheless, measures were put in place to ensure researcher safety (e.g. interviews took place in public spaces).

According to the UK Data Protection Act and also any additional provisions, consent is vital to ensure that the subjects agree to personal data being properly stored, for an appropriate period of time. Hence, the researcher provided consent forms (**Appendix 3, Appendix 4 & Appendix 5**) before the respondents were able to participate. In accordance with the data protection, the researcher followed the University of Exeter's record management procedures. Data was stored in password protected files and will be used for academic purposes only. All the information was kept confidential and pseudonyms were used as to protect the anonymity of the research participants.

CHAPTER 5

DESTINATION DEVELOPMENT

5.1 INTRODUCTION

In this chapter, the perspectives, concerns and opinions of different tourism stakeholders from the public and private sectors on Perhentian Island's marketing approach and planning are discussed. The information obtained is to address objective one of the study which is to explore destination competitiveness from the perspectives of tourism stakeholders. Semi-structured interviews were used to gather in-depth knowledge on Perhentian Island that include its competitive position in the tourism market and how it concerns the stakeholders.

The respondents' organisational background is first presented to give an understanding of the characteristics and role of the agencies on Terengganu, and particularly Perhentian Island (Section 5.2). In section 5.3, an overview of the participants interviewed is presented. This is followed by discussion of the data gathered from the semi-structured interviews according to the themes specifically covering the island's development in Section 5.4.

The semi-structured interviews were carried out in an effort to validate and understand the marketing construct of promoting the destination and the importance of TDC factors highlighted in the literature. The set of data consists of eight semi-structured interviews with stakeholders directly involved in tourism planning, development and management of the island. The participants were from various backgrounds including the public and private sectors. Table 5.1 gives an overview of the respondent profiles.

Table 5.1 - Respondent profiles

Respondent	Position	Service organisation
R1	Director	Tourism Malaysia Terengganu
R2	Assistant Tourism Officer	Tourism Terengganu
R3	Chairman	The Village Development and Security Committee of Perhentian Island
R4	Marine Park Officer	Department of Marine Park Malaysia
R5	Head of Business Development	Perhentian Island Resort
R6	Managing Director	BuBu Resort
R7	Head of Marketing	WHE Mumtaz Travel and Tour
R8	Sales Executive	Yaudin Holidays and Tours

Source: Author

According to the results obtained from the research participants (referred to as R1, R2 etc.), the study analyses six main themes from the interview sessions that have an influence on Perhentian Island's destination competitiveness. The reported results are summarised and discussed based on each main topic with quotations extracted from the interviews for a more detailed description. The five themes that emerged are presented in Section 5.4 and can broadly be summarised as follows:

- **Tourism Destination Management:** focuses on the role of the government tourism agencies on Perhentian Island, partnerships between tourism stakeholders, leadership capabilities, and financial aspects of marketing and tourism activities of the island;
- **Economic Development of Perhentian Island:** examines the foundations of Perhentian Island as a tourist destination consisting of the tourism accessibility, prices, and infrastructure on the island;
- **Sustainable Tourism Development:** a key topic that gives insights into the understanding and importance of sustainability in relation to the environmental impacts of tourism on Perhentian Island including natural resources, pollution and physical impacts;
- **Competitiveness Aspects:** a topic that addresses the main competitors for Perhentian Island and aspects that could differentiate Perhentian Island from other island destinations;
- **Consumer Behaviour and Segmentation:** gives insights into the existing

market segments for tourism on Perhentian Island and the potential new markets for Perhentian Island; and

- **Destination Marketing Strategy:** examines the repositioning of Perhentian Island as a premier ecotourism island destination and utilizing promotional tools to reach out and attract targeted market segments.

5.2 ORGANISATIONAL BACKGROUND AND ROLE

Before the semi-structured interviews were conducted, the stakeholders were carefully selected according to their knowledge and position in their organisation. A developing tourist destination like Perhentian Island is administered by formal institutions that include various government agencies and private organisations that are known as internal and external parties (Singh, Murty, Gupta & Dikshit, 2009). The internal parties are those who are directly involved on-site, for example, the local communities, resort and chalet owners, scuba diving operators and boat service operators while the external parties are the government agencies who are assigned to monitor and regulate the sites (Nasir, Mansor Ibrahim & Othman, 2017).






For this study, the internal parties selected included the established international hotels (Perhentian Island Resort, Bubu Resort), local travel agents (WHE Mumtaz Travel and Tour, Yaudin Holidays and Tours) and the chairman of the villager's representative body (The Village Development and Security Committee of Perhentian Island). The two external parties were from the government tourism agencies (Tourism Malaysia Terengganu, Tourism Terengganu) and the Department of Marine Park Malaysia (DMPM). These agencies work closely together in enhancing the island whilst protecting it as a tourist destination. Their corporative governance is crucial as a foundation for effective destination management. This further illustrates the importance of cooperation between the government and other private stakeholders as part of the destination planning. For this reason, the following section will address the background and function of the organisations interviewed by the researcher in order to have a better understanding of the overall context.

5.2.1 TOURISM MALAYSIA TERENGGANU

Background

In 1959, the tourism department of Malaysia was first established by the Malaysian government under the Ministry of Trade and Industry (Tourism Malaysia Terengganu, 2017). The tourism industry was officially recognized, however, there was a lack of attention given as the mining and agricultural sectors began to make a greater profit for the economy during that time. Nonetheless, on 10 August 1972, the Act of Parliament started to highlight the tourism industry through the Tourist Development Corporation of Malaysia (TDC). Since then, the tourism industry has contributed significantly to the country's economy particularly from the increase in tourist arrivals and receipts. On 19 May 1987, through the Malaysia Tourism Promotion Board Act 1992 the former TDC was shifted to the Ministry of Culture, Arts and Tourism and became the Malaysia Tourism Promotion Board (MTPB). Table 5.2 summarises the timeline of the establishment of the Tourism Malaysia agency by the Malaysian government.

Table 5.2 - Historical overview of institutions for the promotion of tourism development in Malaysia

Year	1959	1972	1974	1986	1992		
Logo							
Ministry	Ministry of Trade and Industry				Ministry of Culture, Arts and Tourism	Ministry of Tourism	Ministry of Tourism and Culture
Agency	Tourism Department	Tourist Development Corporation Malaysia			Malaysia Tourism Promotion Board		

Source: Tourism Malaysia Terengganu (2017)

Popularly known as Tourism Malaysia, the agency's main focus is to promote Malaysia as a tourist destination domestically and internationally. According to covering the Parliamentary Act 481, the role of Tourism Malaysia has been working with different perspectives that include encouraging and promoting tourism in Malaysia; stimulating, developing and marketing Malaysia in the

international and local arena as a tourist destination; coordinating tourism marketing activities conducted by the public, private sector and NGOs; and giving recommendations to the Minister on programs intensifying the development and promotion of the tourism industry in Malaysia and implementing it upon agreement. This is in line with the agency's mission to promote Malaysia as a destination of excellence and to make the tourism industry a major contributor to the socio-economic development of the nation.

At the state level, the state's own tourism department also promotes the destination through collaboration with tourism-related ministries and departments. Every state creates their own slogan and campaign to attract tourists that highlights the state's uniqueness, including Terengganu. Figure 5.1 shows the state offices and tourist information centres provided within Malaysia. There are 14 state offices representing all the states in Malaysia. Also 21 tourist information centres at hotspot locations give an easy access to tourists visiting the destination. The tourist information centres are primarily responsible for providing tourists with information on a destination's attractions, activities, services and other suggestions relevant to tourism.



Figure 5.1 - State offices and tourist information centres

Source: Tourism Malaysia (2018c)

Organisational Structure and Role

Tourism Malaysia Terengganu is one of the state offices delegated by the board directors of Tourism Malaysia (Figure 5.2). The agency has a smaller unit of staff members considering it is representative of only Terengganu state under Tourism Malaysia. In 2015, a new policy for the selection of the director was implemented, whereby the post is held by a more senior grade director for each state office.

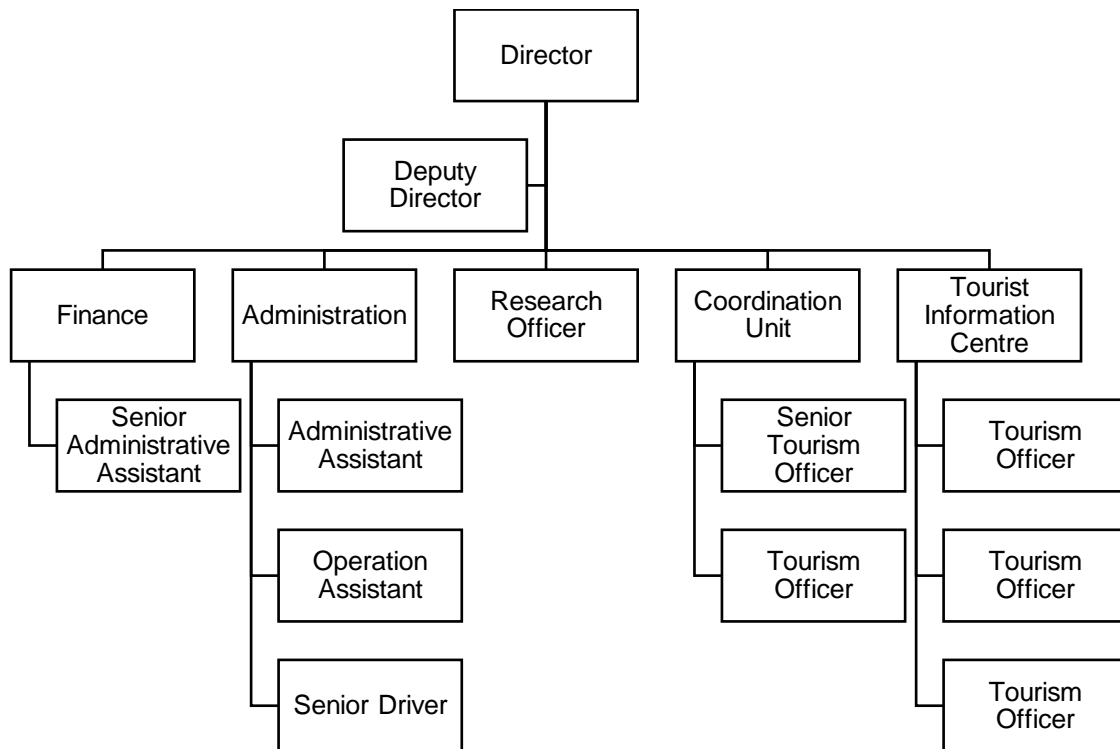


Figure 5.2 - Organisational chart of Tourism Malaysia Terengganu

Source: Tourism Malaysia Terengganu (2017)

The agency focuses on promoting Terengganu by working closely with the state tourism agency, Tourism Terengganu. Hence, the collaboration by the two agencies is displayed on the event calendar for Terengganu and is mostly organized by the Secretariat Beautiful Terengganu. The aim is to showcase the unique culture and attractions in Terengganu to encourage tourists to visit the state and to extend their length of stay.

5.2.2 TOURISM TERENGGANU

Background and Organisational Structure

Tourism Terengganu is a government tourism agency established by the Prime Minister's Department (PMD) directed by the Prime Minister of Malaysia. Within the organisation, the most senior officer is the Chief Secretary delegated by PMD to lead the State Secretary Office (PMD, 2017). The officers selected represent each 14 states in Malaysia including Terengganu. In Terengganu, the State Secretary officer is responsible for overseeing the entire Terengganu State Secretary Office. The main purpose of the organisation is for the benefit of the state. This includes administering and managing the state effectively through financial expenditure, beneficial projects that emphasising the people and the professional management of public sector professionals (Setiausaha Kerajaan [SUK], 2017). Figure 5.3 shows the organisation chart of Tourism Terengganu.

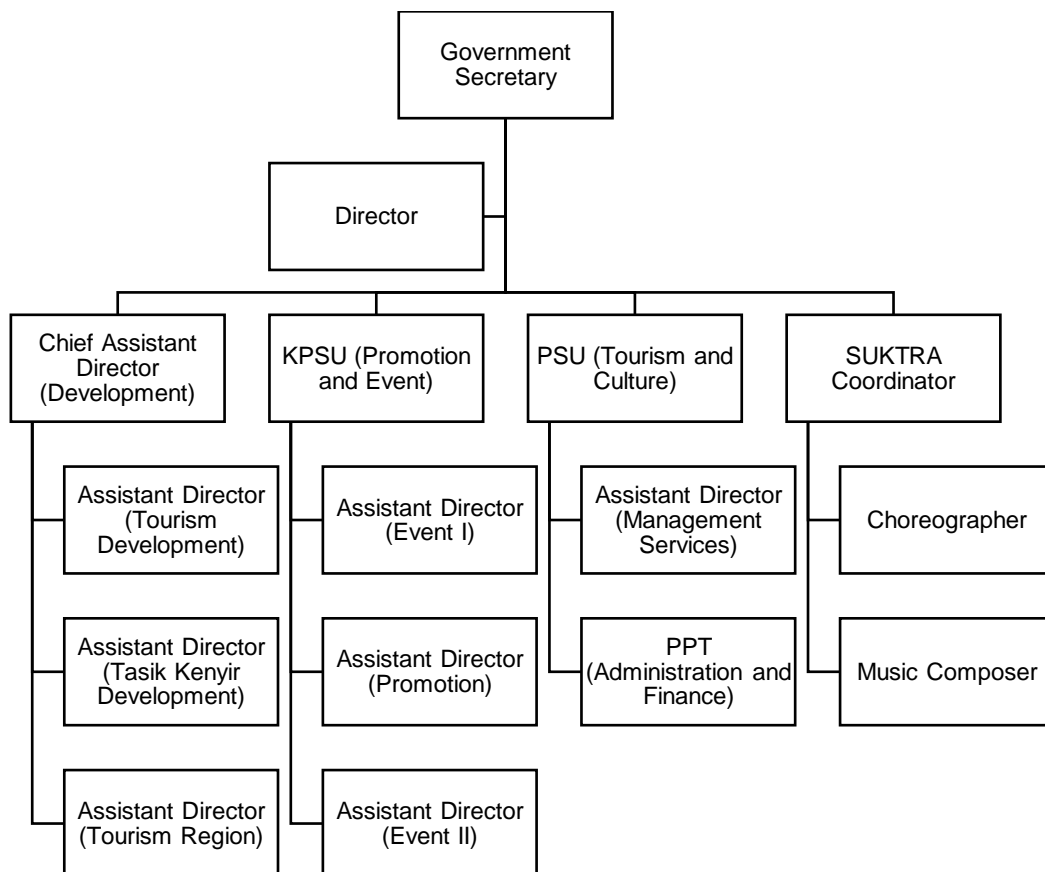


Figure 5.3 - Organisational chart of Tourism Terengganu

Source: Tourism Terengganu (2017b)

Recently, the Tourism Terengganu organized the Visit Terengganu Year 2017 with the tagline 'Beautiful Terengganu'. This is a new approach to introduce and

promote the tourism industry of Terengganu to domestic and foreign tourists. Tourism Terengganu have designated the top committee for Visit Beautiful Terengganu 2017, which includes the Chief Minister of Terengganu as the main Chairman followed by the Chairman of Promotion, Publicity, Products and Packages Committee, as well as the Chairman of the Accommodation, Activities and Programs of Tourism and the Culture Committee.

5.2.3 THE VILLAGE DEVELOPMENT AND SECURITY COMMITTEE OF PERHENTIAN ISLAND

Background and Organisational Structure

The Village Development and Security Committee (also known as JKKK) is a committee established by the State Government. It was established by the Ministry of Rural and Regional Development after the independence of Malaysia in 1957 by Tun Abdul Razak. The organisation was created with the aim of providing extensive basic amenities to rural populations and to develop physical infrastructure. JKKK consists of 1 Chairman, 1 Secretary and 10 committee members (Figure 5.4). In the traditional Malay village, the chairman is commonly selected from the chief of the village. The ‘Appointing Authority’ that has the authority to appoint JKKK members for Terengganu is appointed by the Chief Minister of the state. They are individuals who are appointed to serve with the government but are not considered as public servants.

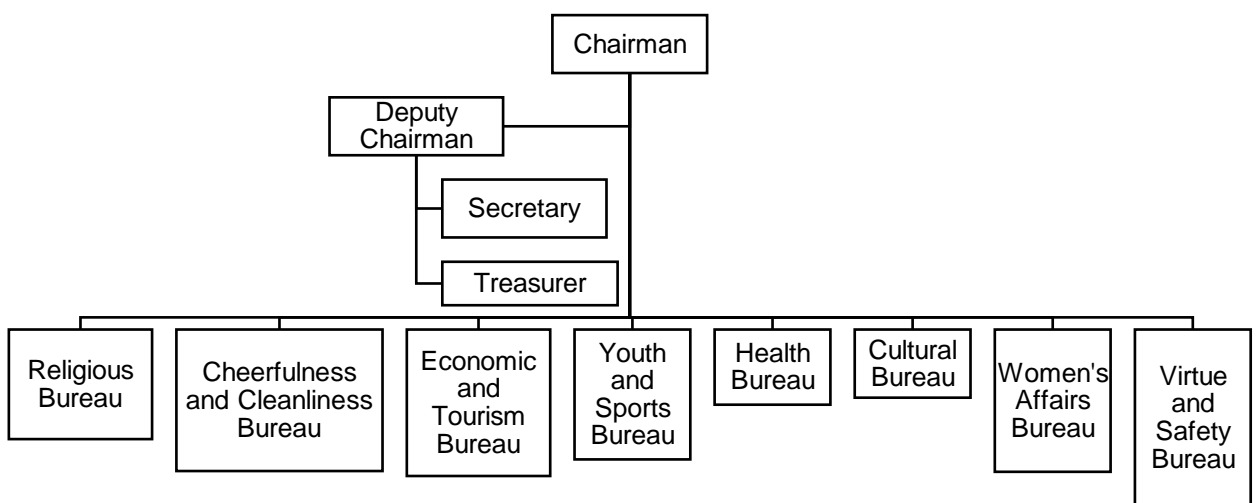


Figure 5.4 - Organisation chart of JKKK

Source: JKKK Perhentian Island (2017)

The Role of Committee Members

JKKK represents an organisation of a village that mainly administers and manages the wellbeing of the villagers and development of the village. Their main roles are to plan and implement village development transformation strategies with the involvement of local communities using a bottom-up approach to create sustainable, competitive and prosperous villages, and to implement a comprehensive human capital transformation to create united, progressive and practicing values and support the government's policies. The main functions of the chairman, secretary and members of the bureau outlined by the Ministry of Rural and Regional Development of Malaysia (2017) are as shown in **Appendix 6**.

Associations and Village Organisations

On Perhentian Island, the chairman of the village has formed associations for the villagers to practice the knowledge and skills they obtain through experience and learning towards something that can be beneficial to them. The increase of tourist arrivals every year to the island has led to increased employment opportunities and economic growth for the villagers. The exposure to tourism activity also fulfils the basic need of socialising between the villagers and tourists through their mutual interest from the associations they participate in, as shown in Table 5.3. The table presents the name of the associations with their focus through the activities conducted.

Table 5.3 - The associations and activities conducted in the village

Associations	Activities Conducted
Perhentian Ladies Association (PILA)	<ul style="list-style-type: none"> • Food and beverage reservations. • Cooperation with Ecoteer for cooking training and cake making classes. • It has a food mart in the D'Mara building. • Provides sewing services, laundry service, boat rental, fruit selling, haircutting and groceries.
Successful Cooperative Village	<ul style="list-style-type: none"> • Provides ice cubes for the island's needs. • Received initial funding of RM200k (GBP36.5k) from the Malaysian Co-operative Societies Commission. • In the proposal to set up frozen items like meat.
Ocean Youth Association	<ul style="list-style-type: none"> • Joint activities with other organisations. • Writing courses with Polytechnic Malaysia.
RELA	<ul style="list-style-type: none"> • Patrols the island with local police officers. • Voluntary patrols.
JPAM	<ul style="list-style-type: none"> • Given the responsibility to monitor safety at Long Beach.
The Neighbourhood Watch	<ul style="list-style-type: none"> • Village patrols every night at 12 am. • Conducted 2 times a week.
Boat Drivers and Water Taxi Associations Perhentian Island	<ul style="list-style-type: none"> • About 200 licensed boat drivers. • Conduct snorkelling and water taxi services for tourists.
Ya'aban Dance Group	<ul style="list-style-type: none"> • 10 children dancers from 9-11 years old. • 10 adult music players. • Organizes shows for any major activity or event in the village.
Fishermen's Associations Perhentian Island	<ul style="list-style-type: none"> • Preserve and promote the collective interests of fishing among the villagers. • Provide fish for the market to sell on the island and mainland.

Source: JKKK Perhentian Island (2017)

5.2.4 DEPARTMENT OF MARINE PARK MALAYSIA

Background and Organisational Structure

The Department of Marine Park Malaysia (v) was established under the Ministry of Natural Resources and Environment Malaysia. The Marine Parks is defined as the sea zoned area for a distance of two nautical miles from the lowest sea level. It consists of 40 islands as a protected area including the Perhentian Island Archipelago off Terengganu waters (DMPM, 2017). Figure 5.5 shows the organisational structure of the department. According to the figure, Perhentian Island has its own Marine Park Centre and regional office, which demonstrates the great emphasis on the island from a tourism perspective.

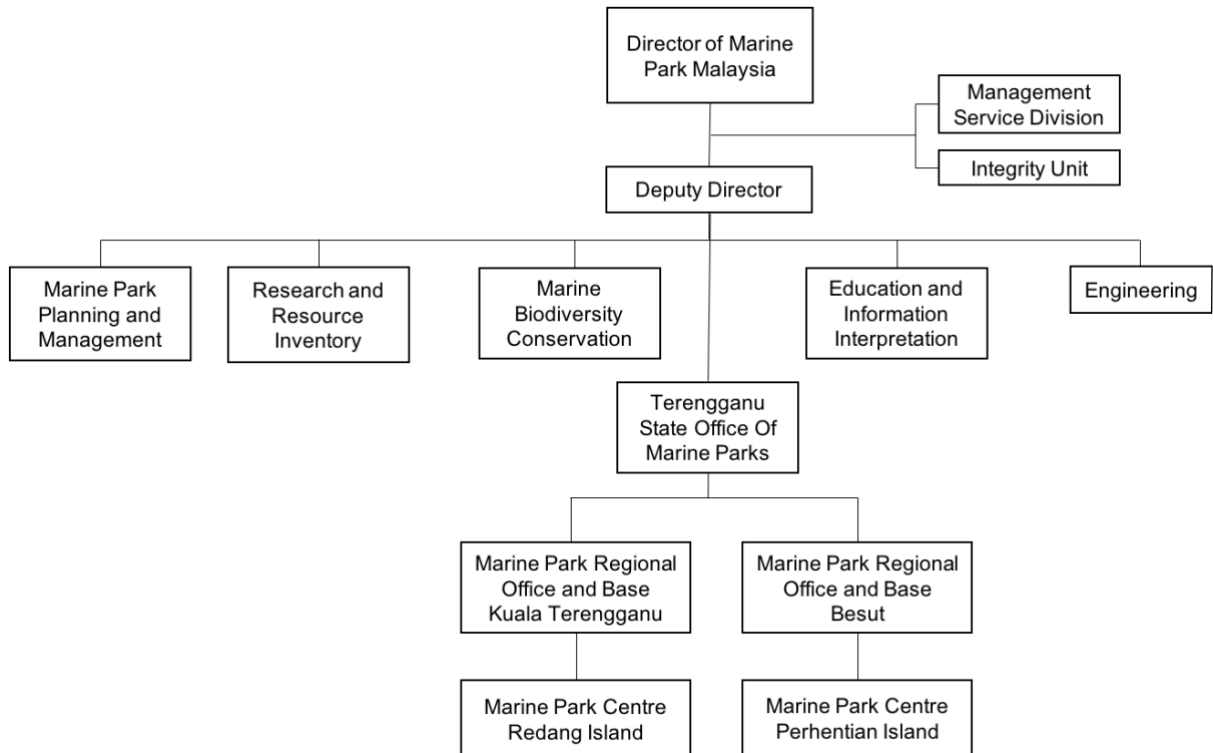


Figure 5.5 - Organisational chart of Department of Marine Park Malaysia (Terengganu)

Source: Department of Marine Park Malaysia (2017)

The Role of the Department of Marine Park Malaysia

The department is responsible for monitoring the safety and the environment of gazetted marine parks in the waters of the Straits of Malacca and the South China Sea, the Sulawesi Sea and the Sulu Sea, which are included in Malaysian waters. The main goal is to continuously protect, conserve and manage the marine ecosystems of significance, particularly coral reefs and their associated flora and fauna. This is to allow the ecosystem to remain undamaged for future generations and many years to come. Hence, it is important for the department to also create public awareness, appreciation and enjoyment of the marine heritage. For instance, the department has to regulate recreational and other activities to avoid irreversible damage to the environment. Furthermore, the department promotes scientific study and research especially through collaboration with local universities.

5.2.5 PERHENTIAN ISLAND RESORT AND BUBU RESORT

Overview

The Perhentian Island Resort is a private resort built on 25 acres of rainforest, with a beachfront overlooking the South China Sea. The resort consists of luxuriously appointed accommodation, with 106 guestrooms with an ocean view. Additional facilities are also provided in the resort, including a dining area, a swimming pool and boat transfer from the mainland to the island.

The Bubu Resort gets its name from the local Malay language word 'Bubu', which means fish-trap. It symbolizes the notion of feeling entrapped in the paradise of Perhentian Island. The resort offers two beach resorts, both located on Long Beach on the island. One of the beach resorts is BuBu Long Beach, which has 38 selected hotel-style rooms, including sea view, side sea view and garden view rooms. The BuBu Villas are located near the southern end of Long Beach, which is closer to the restaurants, shops and night-time beach bars. Despite the vibrant surroundings, the concept of the 18 villas are an exclusive guarantee to provide peace and privacy to the visitors. The resort and villas offer high-class restaurants to the customers including breakfasts, lunches and evening meals with a range of cocktails, mocktails, aperitifs, gourmet coffee and other drinks.

Both of the resorts are considered as luxurious but affordable to consumers (Asia Hotels Network, 2017; Perhentian Island Resort, 2017). The beach resorts cater for leisurely family vacations in Malaysia. Due to their location, the resorts have the advantages of an abundance of activities for the visitors, which were categorised as 'adventurous' and 'relaxing'. The adventurous activities allow the visitors to experience both at sea and on land, for instance, jungle trekking, snorkelling, scuba diving and sea sports including fishing and kayaking. Relaxing activities available include massage and yoga sessions on the beach.

5.3 OVERVIEW OF RESPONDENTS' BACKGROUND

The first representative from the government agency was the director of **Tourism Malaysia Terengganu** (R1) working under the Malaysia Tourism Promotion Board. She was also the former Tourism Malaysia's Hong Kong-based director who travelled continuously to represent the country. She has the experience of working with the Ministry of Tourism Malaysia (MOTAC) for almost over a decade.

At the same time as working as a director, she also pursued her studies in Doctor of Philosophy in one of the local universities in Malaysia. Her research area interest related to tourism studies, particularly Tourism Destination Competitiveness (TDC).

The second respondent was from **Tourism Terengganu** (R2) and was the assistant tourism officer of the Secretariat Beautiful Terengganu. He has been working with the Terengganu State Office for long enough to witness the fall and resurrection of the tourism industry in Terengganu from different political stances. His passion towards tourism has made him one of the most dedicated workers that often looks for a better change in the tourism industry of the state.

The third respondent was the chairman of the **Village Development and Security Committee of Perhentian Island** (R3). Previously he lived in Kuala Besut, which is the mainland closed to the island. When he first took the job in 2010, he managed to help the villagers to gain a better life. He takes care of the well-being of the villagers especially for their growth in pursuing their dreams. His aim is to ensure that the villagers can generate their own income and have jobs to accommodate their families.

The fourth interviewee was from the **Department of Marine Park Malaysia** (R4). He is the marine park officer of the Marine Park Planning and Management division. He was one of the officers based at the headquarters that protects, conserves and manages the marine parks in Malaysia, particularly the coral reefs and their associated flora and fauna. He graduated from one of the local universities in Malaysia under the Institute of Marine Biotechnology about 8 years ago. His study on marine debris helped to identify issues and subsequently made an important contribution to the department.

There were also four representatives from the private sector interviewed for this study, consisting of hoteliers and travel agents. The first representative was the head of Business Development from the **Perhentian Island Resort** (R5). He graduated from the London School of Economics (LSE) in 2009 and landed his first job at Sime Darby Berhad, a major Malaysia-based multinational conglomerate, before working with the resort. He was formerly from the

department of marketing before being made the Head of Business Development and he now leads the marketing and development team of the resort. The second private sector representative was the managing director of **Bubu Resort** (R6). He is also one of the stakeholders who has been in the tourism industry for more than 10 years, specifically on Perhentian Island. He formerly worked in a travel and tour agency that exposed him to the industry. He was brave to penetrate the Perhentian Island market as the only Chinese operating resort on the island. Thirdly, was the **WHE Mumtaz Travel and Tour** (R7) representative, who was the chief marketing officer of the company. He used to work with the state government agency and worked a lot with the Terengganu Entrepreneur Development Foundation and MARA. He continues his passion for helping entrepreneurs by being a part of a local travel and tour agency in Terengganu. Finally, the **Yaudin Holidays and Tours** (R8) representative was the sales executive of the company. She has been working with travel and tour agencies since high school. She has been providing travel and tourism related services to tourists and intends to continue with this as long as she can.

5.4 INTERVIEW ANALYSIS

In the following subsections, based on the information provided by the participants, each variable is analysed and discussed in relation to their importance for competitiveness. The competitiveness of the destination is identified through different perspectives from the respondents on the marketing strategies implemented for Perhentian Island.

5.4.1 TOURISM DESTINATION MANAGEMENT

Tourism destination management was the first topic discussed from the interview sessions. This topic is considered the basis for an organisation to develop a destination and covers the role of the government tourism bodies with regard to Perhentian Island, government-stakeholders' cooperation, leadership skills and the financial facets of promotional and tourism activities of the island. The element of tourism destination management is considered to be among the core components in a destination competitiveness model (Crouch & Ritchie, 1999; Dwyer et al., 2004; Dwyer & Kim, 2003). Based on Crouch (2011), destination management consists of government and the industry to maintain destination competitiveness and socioeconomic prosperity, which are influenced by the

tourists' demand and situational conditions. In this context, the element of tourism destination management in a TDC model is vital to ensure a competitive destination. The following section presents an analysis of discussions with the stakeholders.

5.4.1.1 ROLE OF THE GOVERNMENT

This topic was one of the most frequent issues discussed in the interviews. According to Crouch and Ritchie (1999), the role of government is commonly associated with the organisation of tourism resources including marketing, regulation, performance, planning, monitoring, support, coordination and improvement. Government tourism agencies were first approached with the question regarding their role in general and in marketing Terengganu. They responded as follows:

To attract and boost tourist arrivals and their spending through enhancement of the state's attractions and delivery of high-quality services designed for a memorable experience aimed towards making Terengganu the destination of choice (R2).

We execute the marketing plan from the Ministry of Tourism and Culture Malaysia's federal office and also from the state tourism office which is the Tourism Terengganu (R1).

By this, it is expected that the government tourism agencies in Terengganu are the leading organisations that manage Perhentian Island. This is strengthened by the response from R1 that Tourism Terengganu holds the lead role in destination management of Terengganu and that Tourism Malaysia Terengganu supports them in the promotional activities. In fact, for Perhentian Island specifically they are aiming towards the same goal in promoting the destination as a premier ecotourism destination.

There is this project we are planning called the premier ecotourism destination led by the federal tourism office for Perhentian Island, therefore Tourism Malaysia does most of the promotional activities... (R1).

We came out with the new project called the premier ecotourism destination for Perhentian Island and Tourism Malaysia is helping us with the promotional activities. In terms of planning, it is mostly done by our side at the State Economic Planning Unit (R2).

From the responses, it is apparent that the two of the agencies have a clear understanding of their role, especially towards repositioning Perhentian Island as a premier ecotourism destination. Regardless of that, there was an issue raised by R1 that the expectations of the two agencies might be different even though they are focusing on the same destination and have the same planning. This can cause conflict in promotional activities, unclear messages to tourists and can jeopardise the natural resources of the destination. As stated by R1:

...as the host of the state you would also want something apart from the project, so we should work together. However, there are difficulties in that matter. This is regarding the marketing activities between the state and federal tourism agencies, who don't liaise or communicate with each other.

Likewise, R3 is facing similar problems regarding difficulties in communicating with the state tourism agency. Only Tourism Malaysia Terengganu often monitors the villagers' well-being instead of both government tourism agencies working together for the community on the island. R3 commented on this issue as follows:

Tourism Terengganu do come over to do their research here but don't communicate with us as much as we do with the federal agency. However, when we go to meetings on development for the island the inputs and directions are the same for both government tourism agencies, which is to promote Perhentian Island as a premier ecotourism destination.

As a private stakeholder, R5 knew that issues regarding the working gap between the two government tourism agencies exist. This is supported by Nasir et al. (2017), who found that the overlapping administration of Perhentian Island

resulted in coordination issues. Given the situation that there are two government tourism bodies for the state of Terengganu, it is common for there to be duplications of work and lack of communication, as described by R5:

The main question that people keep asking about the two tourism agencies in Terengganu is what are the differences in terms of their job? Because there might be duplications. For example, both of these agencies advertise Terengganu on the same channel at overseas expos and the visitors can see there are two booths representing the state. This can definitely create confusion for the visitors especially when both of these agencies do not communicate with each other in regard to their focus on promoting the destination.

The tourism stakeholders also doubted the competency of the government tourism bodies' role for the well-being of all aspects of Perhentian Island. This issue emerged when they were asked about the support given to them by the government in promoting Perhentian Island. Their sentiment that there is a lack of support from the government is echoed by the hoteliers and travel agencies. Some of the respondents cited that they support the government instead of the other way around. The resort representatives interviewed were from luxurious accommodation in terms of scale on Perhentian Island, it is evident that the government reached out to them for support. The following quotes show how some participants described the situation:

...when the government has a big event, they will ask us to sponsor or give free vouchers for their lucky draw. For us, that's the kind of support we have given them, which is supposed to be the other way around. Of course, in their defence they will say "Hey, I'll be going to Singapore, do you want to open a booth with us?" and again we have to pay the same amount as the other participants (R5).

I am a member of the Malaysian Association of Hotels and sometimes I have tried to support the activity of the tourism authorities in Terengganu. We as hoteliers always give support to them if they have anything or organize certain functions that we can participate in (R6).

It is apparent that from the views of both of the hoteliers that the government's need for their support is important. Consequently, they have lost faith in the government especially in supporting their businesses even though Malaysians were encouraged by the former Prime Minister Datuk Seri Najib Abdul Razak to manage a business venture in generating income. R7 commented:

We have gone through this so many times. The government thinks that as a travel agency all we want is their money, but the thing is we have our plans and we just need their support.

As the only stakeholder who does not promote the island as a holiday destination, R4 is also facing challenges in gaining understanding from the government regarding the consequences of the tourism development on marine life when no proper guidelines and planning are considered. R4 explained as follows:

...just imagine that when the state develops new buildings and the construction affects the sea. When this happens, we usually refer this issue to other departments that are associated with the activity (...). We just hope that they follow our advice on any new developments on Perhentian Island. What is important is that they do not affect the ecosystem underwater. It is obvious that there are tourism developments on Perhentian Island because the island is beautiful, filled with natural resources that attract people to come and make business from it, but the uncontrolled development has always been our main issue.

Hence, developments are required to follow policies that are essential to the preservation of the underwater marine life such as to apply green practices. If it were up to R4, he would not want any new development on the island. This reflects the importance of the role played by DMPM in relation to the government tourism agencies. In order to fulfil their role, they need the support from the government. Unfortunately, R4 feels that to a certain degree that the government is not fully committed to this cause in protecting and preserving the island and marine life. For this reason, the government's role is not only focusing on promoting a destination but also demonstrating support and guidance for stakeholders and the local community. Just as R5 said, "*That's why I always need*

a very strong helping hand behind me, for instance, the government". This is due to the authority that the government holds that makes their development or planning perceived achievable. Therefore, the government and its agencies play an important role in being transparent in their commitment to tourism and show their endeavours to meet the different interests of the ministries, departments and the private sector towards tourism development (Azzopardi, 2011). As supported by scholars (Cinner, 2005; Kaza, 1988; Kenchington, 1988; White, 1986) the main feature in the success of a marine protection area like Perhentian Island is the reinforcement of both state and federal agencies in delivering their roles apart from the emphasis on the community involvement (as quoted in Nasir et al., 2017, p. 168).

5.4.1.2 GOVERNMENT-STAKEHOLDERS' COOPERATION

The theme of government-stakeholders' cooperation emerged as the other stakeholders believed that it is the need for the stakeholders to co-exist in developing the island. Indeed, closer cooperation between public and private sector stakeholders influences the strategic advantages to the competitive dimension and improvement in productivity (Armenski et al., 2018). At present, the local networks in marketing activities for the Tourism Malaysia and Tourism Terengganu are similar, whereby the mutual networks support each other while the use of international media and other organisations is required for worldwide coverage. They commented as follows:

Normally Tourism Malaysia works through the Mega Familiarisation Programme or Mega Fam to organize major events as our promotional strategy to create greater awareness for global media audiences of Malaysia as a tourist destination such as through events like Magic of the Night (...) normally we get good collaboration with overseas Travel agencies/airlines/Travel writers/TV stations including 44 Tourism Malaysia offices worldwide (...) This support is important in achieving our goals. More on write-up, TV station covers or movie settings on Perhentian Island are among approaches that are effective for the marketing activities (R1).

For international events, we let the organizer handle the promotional

activities especially in reaching out to the international participants (...) we have also called out international media to come here and experience the Candat Sotong event, for instance, with all expenses paid to a get wider coverage of the event and also the state. We will let the media have first-hand experience of Candat Sotong and hope that they'll write about it in their blogs/ newspaper/ magazine or share them on their social media or vlogs (R2).

This exposure will certainly improve and leverage the destination, especially Malaysia. This shows the importance of collaborating and networking to support the marketing activities for Perhentian Island as an alternative to financial constraints. In fact, the events and approaches from these organisations through social media also have a huge impact on the destination (R2). The cooperation between government tourism bodies and the private sector in Malaysia was not emphasised by Tourism Malaysia and Tourism Terengganu. However, this cooperation specifically in promotional activities was mentioned by the other stakeholders. This indicates that collaboration does not bring significant value to the government tourism bodies, which leads to future concerns. There is a downside to it despite the cooperation, as R7 further explained as follows:

...but in terms of the effectiveness there is not much I can tell. So far in everything we do when asked in the meeting with them there is nothing we get in return. Which is very much disappointing... the hard work doesn't get back to our company, probably to others that I do not know of. But all I can say is that the cooperation with the government agencies hasn't had any results.

Even from the community point of view, the cooperation with Tourism Terengganu and MOTAC in promoting tourism activities on the island is very recent. This is assumed to be due to the premier ecotourism destination planning, where communities' involvement is vital (R3). Certainly, the lack of cooperation and understanding among the government tourism agencies and the tourism stakeholders of Perhentian Island is partly due to the different goals, which is very common in tourism destination management. As Crouch (2011) states, some goals may address profit and economic return while other goals focus on various

environmental and social outcomes. Hence, it is critical to have a successful collaborative network among these stakeholders to establish successful destination management competitiveness. Komppula (2014) argues that the structure of the organisation for the Destination Management Organisation (DMO) has started to acknowledge the growing importance of private enterprise in destination management.

5.4.1.3 LEADERSHIP SKILLS

It is relevant for leadership skills of the tourism stakeholders to be highlighted, as the root to every problem starts within the organisation. Leaders proactively shape the organisation for the importance of a destination's future development. The knowledge and understanding regarding the growth of the destination is required considering the authority and responsibility a leader hold. Many have overlooked these traits due to the political positioning that rotates within few years. It has been proven that this is due to poor decision making as the top-level management are not aware of the concept of tourism as being more than a profit-making industry. R2 expressed that this as a common practice in his organisation as top-level management are always making poor decisions due to the lack of knowledge and experience in tourism. He stated that:

I can't do anything about it... You can see the people at the top-level management keep changing like every one or two years. Probably the government should have a strict policy like if you want to be in tourism, think like tourism...

As stated by R2, it is typical for top-level management to reject the work submitted by the lower-level management even though it has been thoroughly planned by employees who have a decade's experience in tourism (R2). The lack of management skills with shared powers within government organisations hinders any process required for tourism management. In contrast, R6 uses his position to advise the leader of the organisation if any action taken is not appropriate or is acceptable in the organisation. This is because the existence of such barriers contributes to the suggestion that leaders may affect the growth of the firm. A good example given was another hotelier (R5), who practices good leadership by giving guidance to his employees. He mentioned that:

Coordination with my team members is very important. We have our mission and strategies...so we always identify issues, discuss them and come out with the solutions together.

5.4.1.4 Financial Aspect

Finally, a perspective on the financial aspect emerged for most of the stakeholders interviewed. They often struggle with financial support to operate promotional and other related tourism activities. The common understanding of these opinions is the lack of capital to invest in promotional activities at the international level and also in the development of the island. According to the Prime Minister of Malaysia in his budget speech for 2016, the Ministry of Finance Malaysia allocated RM1.2 billion (£214 million) to the Ministry of Tourism for the purpose of increasing the number of tourist arrivals and the tourist expenditure. In the 2017 budget's speech, however, he announced that the government would continue to focus on promoting and improving tourism facilities with the allocation of RM400 million (£71 million) for the initiative of introducing ecotourism. This shows a significant decrease in Malaysian Ringgit for the development of the tourism industry in Malaysia. Thus, it is realistic that the state government cuts in funding resulted in limited structural progress for the whole governance among the tourism stakeholders.

As a government body, Tourism Terengganu is facing challenges to maintain its international events due to financial constraints. Meetings are regularly conducted to ensure that the allocations of the funding are sufficient to organize events and so on (R2). This is how R2 explained the situation:

Usually we have the funds to organize such events, for instance the state will give you RM400,000 (£71,486) but we have to divide this between other organizers. So, at some point, the event organizer asks for more, which the state can't afford. Due to that we tried to find an alternative in creating other events that we can afford.

Tourism Terengganu also requires other support like materials in their marketing activities since financial support is difficult to achieve given the country's

economic condition. Therefore, sponsorship for their big events are important to maintain the number of tourists participating and particularly, international tourists. Concurring with this view, R2 gave an observation:

We don't receive financial support from the federal organisation... but we do receive sponsorship in terms of materials, like recently our event called Kapas Marang International Swimathon 2017, where participants were required to swim from Kapas Island to Kelulut Beach, a distance of 6.5 km. During that time, there were many participants, around 400 people, therefore it had a huge impact on the locals and the tourism industry. The participants had to pay RM90 (£16) inclusive of meal and everything. The sponsors were from the huge companies like '100 Plus' and provided food, sports attire and equipment.

Also, with the cost cutting situation, Tourism Malaysia Terengganu relies heavily on write-ups by social media influencers in their blogs or the increased dynamic use of the vlog, which is a blog in the form of video to facilitate the marketing activities. In the new digital age, these approaches are very affective as the media influences the consumer decision-making process (Assimakopoulos et al., 2017; Constantinides & Stagno, 2012).

Social media platforms such as Facebook, Instagram, Twitter and Blogger allow organisations to engage with their customers informally so that they are comfortable sharing their experiences and give honest feedback. They also allow the organisation to identify their customers and their preferences through 'likes' and 'comments' from their posts. Most importantly it is cost effective, as mentioned by R1:

If we pay big companies to promote an event it will cost us a lot. That's why we try a cheaper alternative, using today's trend in social media. The return on investment is a lot compared to these big companies. The genuine stories these bloggers or media share with their readers or viewers has a huge impact on the event and the tourism industry as a whole.

Even though generally the financial aid is given by the government to the government entities, it is important to consider the budgetary spending to support private sector investment as well. R6 perceived the issue positively as he considers his hotel to be stable financially and very independent, but it is important that the government supports those who are in the early phase of hotel operation. R6 remarked:

They are very supportive of all the hotels but for my hotel particularly, we have our own funding and support for marketing activities, so we don't mind if they do not focus on our resort that much. I think it is sufficient enough when they are supporting those smaller hotels or travel agencies. It is better that way as they require more support from the government than I do. My marketing activities are very much self-organized... In the earlier days, say about 10 years ago, I worked very closely with the state Tourism Terengganu and the federal Ministry of Tourism and Culture Malaysia [MOTAC] by participating in tourism exhibitions and all that. Now I am more independent, using my own money.

The position of the stakeholders to innovate and improvise on Perhentian Island is also restricted because of the lack of access to financing. According to Rodríguez, Williams and Hall (2014), financial resources can be one of the biggest challenges that hinder development of a destination. This is reflected by the stakeholders who could not apply innovative ideas such as completely integrating sustainable practices on the island (R4, R5). They are aware of the benefits of sustainable practices on the island's main sources of tourism product, which also enhances tourism destination competitiveness. This is similar to Cucculelli and Goffi (2016), where the outcome of the study shows a significant relationship between sustainability and competitiveness taking into account the need to educate the tourists in preserving natural and cultural resources.

In summary, the concentration on Tourism Terengganu as the key stakeholder for the state tourism industry in terms of destination priorities and resources is relevant even though Tourism Malaysia is only responsible for providing support for marketing activities. However, it is vital for these government tourism agencies

to communicate and synchronize their role in promoting the destination. The delegation of marketing activities is still unclear in each entity, which may cause unnecessary costs that affect the already poor economic condition of the country. Even though the internet is widely being used by these agencies to promote the destination, they may also consider the importance of private sector organisations like hotels and travel agencies. Their roles will have a significant impact on the destination particularly in terms of the support needed to develop promotional activities and tourism products to attract tourists.

5.4.2 ECONOMIC DEVELOPMENT OF PERHENTIAN ISLAND

The second topic concerns the economic aspects of tourism on Perhentian Island including accessibility, prices, and infrastructure on the island. These elements have drawn great attention from all the tourism stakeholders interviewed as they are considered vital for the structure and the future of the island. The respondents demand that this issue needs to be brought to the government for immediate attention (R5, R6, R7). As quoted by R6 “*I hope the government will do something about it, if not Perhentian Island will be gone*”.

5.4.2.1 ACCESSIBILITY AND TRANSPORTATION

The stakeholders are concerned about the transportation to the island in terms of safety. This is mainly because the type of boats provided for the tourists from Kuala Besut Jetty to the island is considered small as compared to the neighbouring islands like Redang and Kapas Island. In addition, these boats are usually driven by unlicensed operators that are not aware of any requirement for qualifications before operating a boat. As a result, it is very common for accidents to happen with the boats from the island. The respondents made the following observations:

There are still a lot of small, unlicensed boats without insurance picking up tourists from the jetty. Safety is not their top priority as they are seen to be driving the boats very fast, dangerously. This can cause accidents like a few days ago where two irresponsible boat drivers drove recklessly and hit one another (R6).

...my officer was there to pay a visit, so they managed to look into the

case. That's what I said, they like to drive their boats so fast and hit one another unintentionally. Even though they had minor injuries, they were carrying tourists that time. For now, we do not have big issues like the ferry in Sabah that killed all of the passengers. We just have small accidents like this that don't affect the image of the island (R4).

If you track the news on Perhentian Island for last year, there was a death of a tourist. This happened due to boat accidents. Our beach is the best but unfortunately for us last year the death happened in front of our hotel. When the news report comes in, the headline was Perhentian Island Resort... I had to contact the newspaper to get their story right; only then did they change the news (R5).

It is important to always take precautions in boating safety and preparations for unexpected events. It is very common to see non-profit organisations and university students on the island giving safety briefings before tourists engage with water activities. R5 argued:

...these are things that I said to the hoteliers, they take this issue lightly. It is very embarrassing... There are a lot of international travellers and NGOs who come and help so sometimes you want to push but you don't want to be the villain. They don't understand that one bit of bad news can shake the entire market like what's happening in Sabah and Sarawak. You can suddenly see an influx on Perhentian Island for the next two months. We have to manage that bit.

Also, one of the major issues with the safety procedures for tourist boats is the insufficient life jackets provided by the boat operators. R7 mentioned his recent experience handling a trip:

When we have successfully executed our marketing activities, of course, there will be an increase in the number of tourist arrivals. But the problem comes after the tourists are back home and we receive the negative feedback. Some complaints were that the boats they went in didn't give lifejackets (...) I can give you an example from a recent event, there were

a group of tourists booked with us for squid jigging. I reminded the boat owner three times to prepare 20 lifejackets for my customers. They responded with “yes, they have everything, don’t worry”. When I wanted to pay the deposit, I asked again “Do you have enough lifejackets?” he said “yes” and I explained that before everyone get into the boat I want the lifejackets to be put on first. The third time I asked was at the jetty before we left, He said, “Yes, we have the lifejackets”. When we finally wanted to get in the boat there were only 4 lifejackets. So, I needed to explain to the tourists, as if it was my fault to begin with. I have proof for how many times I asked the boat owner.

Yet, further actions were not taken as the person in charge had no knowledge about it. This shows the importance of participating in workshops and training provided by the DMPM to educate the boat operators. In addition, R7 pointed out the lack of readiness from the government for the anticipated increase in the number of tourists to Perhentian Island as many stakeholders actively promote the destination. He said:

...sometimes we have received so many negative reviews about their trip which makes it more difficult to deal with. Our job to promote is effective but their job to monitor the services provided always fails.

Nevertheless, the continuous effort from the government is undivided in providing a hassle-free experience to the island. For instance, DMPM and Reef Check Malaysia (RCM), a non-profit organisation, engages with the local community by creating courses to raise awareness of the importance of, and threats to, coral reefs. The workshops also allow the villagers to earn boat licenses considering the importance of boats as their medium of transportation (R4). R4 also added that:

It is important to organize such workshops and training to prevent them from recklessly and illegally driving the boats within the area of the marine park. The negative experience there from using the boat is probably due to the boat taxi, who doesn’t attend the workshops but has a license.

In 2016, as an initiative by the government to overcome this problem, an operating license for a tourist-boat at Perhentian Island was only charged at RM50 (£9) a year. This is to encourage the boat operators to be licensed and responsible for the safety of the passengers, especially tourists. In fact, on the road to premier ecotourism destination, one of the developments focuses on producing codes of conduct and 'dos and don'ts' for snorkelling tourists, snorkelling guides and boatmen. Also, it has been made compulsory to enforce safety standards and features on the island.

Apart from that, accessibility and connectivity to Perhentian Island is still lacking. R5 perceives this matter as problematic especially for the tourists because it is difficult to get to the island without going through different modes of transportations and it is time consuming to get from one place to another. He mentioned that:

From our point of view, one of the challenges about Perhentian Island is the connectivity. So, people have to fly to KLIA, KLIA 2 or Subang Airport; from there they will take an hour flight to Kota Bharu in Kelantan, which is already in a different state. After that, they have a land transfer by taxi to Kuala Besut Jetty, about 45 minutes to an hour, and then they will need to take a boat for an hour. Can you imagine the added time of connectivity? That's why we said to the state, previously there was a direct flight from Singapore to Kota Bharu. That was fantastic, we could see a lot of influx of the tourists from Singapore. However, the flight was terminated.

The issue began to happen about 2 years ago due to a political agenda (R5). The irony is that Kuala Terengganu has an international airport, Sultan Mahmud Airport, but does not have flights coming from international countries. The airport is also underutilized with only flights from Kuala Lumpur as compared to Kota Bharu Airport in Kelantan, which has about 44 flights from KLIA, KLIA 2, Pulau Pinang, Johor Bharu and Sabah. R5 and his organisation has raised this issue to the state with a solution but it was never taken into consideration. R5 suggested "...you should actually do a twin city program. Like what they have in Malacca-Guangzhou, it is a twin city where it's as if they get married to each other, so

there's a direct flight". This will automatically boost the number of tourist arrivals to the island.

5.4.2.2 PRICE

An additional sub-theme that emerged from the discussion was the price that covers the overall trip to the island, which includes the cost of transportation, accommodation, services, activities and entertainment. It begins as the tourists arrive at the jetty; they are required to pay the Marine Park Conservation Fee implemented by DMPM before taking a boat ride to the island.

Foreign tourists will be charged RM30 (£5) for adults and RM15 (£2.70) for both senior citizens and children while for the locals the charge remains at RM5 (89p) for adults and RM2 (36p) for children. Because of the different charges applied, R6 received complaints on this matter from his customers and felt it was unfair to charge the international customers differently. He argued:

I feel it should not be charged that differently; or maybe a slight difference is okay but not six times more than what we have to pay. Because of this RM30 (£5) issue also if I'm not mistaken sometime this year the foreign tourists are boycotting the island, which has been going around the social media. I have seen the figures in my data, the figures have gone down for these tourists.

In fact, R1 stated that the price will be increased for the local tourists from RM5 (89p) to RM30 (£5). This is particularly for the use in supporting the premier ecotourism destination planning in creating new facilities and infrastructure. She believed that despite the increase in price, the tourists will still come because Perhentian Island is one of the most beautiful islands in Malaysia. Reflecting the view, R4 stated that the price will remain the same despite any circumstances. He commented as follows:

There will be no increase in price for the Marine Park Conservation fee to the island in future, we have implemented it only for the international tourists. Previously, both the domestic and international tourists had to pay RM5 (89p) per entry, but we find it difficult to differentiate the tourists.

When we started the new entry price we got clearer statistics for the type of tourists visiting the island.

If there is an increase in the price to facilitate the premier ecotourism destination project, tourists will definitely retaliate (R4). Generally, the fees collected are for the comfort and safety of the tourists, such as adding facilities like pontoons for those who want to get some rest after snorkelling or a swim and marked area buoys. These facilities are only provided within the area of the marine park which is “sea zoned area for a distance of two nautical miles from the lowest sea level” (R4). Therefore, it is unclear on the allocation of the fees when government tourism agencies intervene in this.

Apart from the entry fee, one of the major insights from the participants regarding price was the confusion over the cost of the accommodation on the island, which resulted in dissatisfaction among the tourists and increases in cases of fraud. R7 gave an example of the current situation, whereby the travel agency is having difficulties communicating with some of the hoteliers on Perhentian Island regarding the price rate charged to the consumers. He made the observation as follows:

Like Perhentian Island the problem now is that the price that is given to us from the resorts or is a fixed price. Let say our contract as a travel agency, the published rate is RM300 (£53.60) but the price given to us is RM270 (£48.30) so we will sell RM300 (£53.60) too with a commission of RM30 (£5). But sometimes when the customer calls them directly, they can sell RM270-RM280 (£48.30-£50). Even though they don't have the contract rate. This has been a recurring issue... as a hotel you can't sell the price you sell to the travel agency to the customers. We need a license in order to sell with the price given. So, it has been hard on us, because whatever it is as a travel agent, we need to promote Perhentian Island as one of the attractions in Terengganu. Other travel agencies also have slowed down in promoting the island online and in MATTA Fair it is even harder (...) for instance, the hotel gave us RM270 (£48.30) so we sell at RM300 (£53.60), but the booth next to us is able to sell at RM250 (£44.70).

Under those circumstances, the travel agents find it hard to gain profit and customer loyalty from visitors to Perhentian Island. In contrast to this, the resort in Redang Island, such as Laguna Redang Island Resort, is one of the resorts that is perceived to manage their business in the long term instead of short-term profit by being a good team player with the travel agents to sell their rooms (R7). From the standpoint of a hotelier from Perhentian Island, R5 explained how the price is given to travel agencies:

...if you ask three travel agents about a rate of a particular hotel not all three have the same rates because a hotel has their preferences as well. For instance, you're a good travel agent so I give you more support. What is the support that I give you? In terms of price, I give a cheaper price. Normally, I'm selling the package for RM1000 (£178.70) so I give you a special rate of RM800 (£143) so it's up to you to mark-up how much you want. That's how they make their money.

Despite the favouritism, R7 still feels differently because the customers are more independent now and do not require the use of professional planning assistance. At some point, travel agencies may no longer be needed and might go out of business. R7 stated that:

...the thing is customers are getting clever now, they do their studies, compare prices from the hotels and travel agencies. When the hotel offers a cheaper price than us, they will not come to us. So, the contract rate they gave us cannot be marked up higher than what they offer. Therefore, not many travel agencies would want to sell island packages because the commission and profit is very low.

This demonstrates that hotels and travel agencies make decisions autonomously to maximize their own profits, but each party needs to be straightforward with the challenges of collaboration to recognize the advantages over competition.

Another issue that is occurring on Perhentian Island is the uncontrollable cost of travel packages offered by irresponsible travel agents at Kuala Besut. There is a new trend of a 'day trip' to Perhentian Island that costs only RM55 (£9.80) per

person (R3). Having tourist day trips will affect the economic development of the island as they do not stay and enjoy the island to the fullest as suggested by the participants. R3 predicted that there will be a decrease in tourist arrivals if the tourists keep on purchasing day trip packages which are being bought mostly by domestic tourists. Hence, the government bodies proactively monitor the problem to identify the cause of it. According to R3:

We usually discussed the issue with the government tourism agencies. Recently we had a meeting with the Director General Department of Women Development, the Director of Tourism (...), the Director of State MARA, the Director of State District and the Deputy Secretary General of Tourism how to overcome the uncontrollable tourism package price. At the end of the discussion we couldn't come up with a solution but at the moment we are still investigating how it started and the scams that happen to travellers especially by the travel agents that are yet to be registered.

These travel agents also actively sell their packages at the jetty, which is perceived to affect the image of the island. Their advertising can be misleading and put tourists at risk. R3 suggested that the only way to fix the issue is to have a meeting that includes all these agents and sellers with the government authorities relevant to the problem. The meeting is mainly to allow them to discuss further their actions and measures to prevent the problem from occurring. Nevertheless, he said it is difficult to get cooperation from everyone as the successful agents refuse to participate and fix the problem. This is one of the initiatives done by R3:

I planned with the police to record every tourist staying at the village. It turned out negatively when the room provider and boat provider did not want to participate because for them its troublesome. But the reason for this is in case of emergency... when we get the exact number of people in a room with their full details such as who is their agent, where do they come from and so on, if anything happened we can immediately identify who is missing, who is the person to contact and responsible for this. Sometimes the agent who sells a package very cheaply doesn't cover

any insurance so when someone needs to be sent to hospital, they do not want to use their money for the use of an emergency like this. That's why they do not want to give us the details of their customers.

It is expected that these sellers usually do not include travel insurance as this will increase the price of the package. In order to attract the tourists, they promote cheap packages covering only basic travel needs. According to Leggat, Carne and Kedjarune (1999), generally travel insurance covers the expenses of travel, medical treatment, or even evacuation in the event of misadventure or ill health. This is very important considering the location of the island and extreme activities offered at the destination. Hence, the possible outcome is to implement a safety policy specialising in travellers' safety on the island. Aside from that, customers also have to deal with fraud and dishonesty from the travel agents that sell cheap travel packages to Perhentian Island (R3, R7). Referring to a recent event, R3 explained:

...there was a group of tourists who came to the Kuala Besut jetty at 5am only to find that their agent had lied to them. We identified these agents as they are very active in selling packages despite the number of rooms available. For instance, they sell 300 rooms, but the available rooms is only 100 rooms. Therefore, they randomly give the rooms to those they want to give them to and regarding the rest, they will only take the money and run. I advised the tourists to lodge a police report and the villagers offered a free stay for them, we felt very sorry about what had happened to them.

This problem can be avoided if the tourists are more aware of fraud in travel packages. As an authorised travel agent, R7 felt the need to educate the tourists especially in purchasing travel packages and to look for obvious signs of scams. He emphasised four simple steps to remember as follows:

Firstly, you need to check whether the company has KPL or not. Secondly, how long has the business operated. If the company is well established, you can see testimonies from previous customers or even their Facebook page has been operated long enough. Thirdly, the most

important thing I tell everybody is never to transfer your money to any personal account. It is unethical when a member of staff asks the customer to transfer money into their personal account. Finally, when you want to travel somewhere, you see that all travel agencies sell them for RM400 (£71.50) per package but when someone sells it for RM200 (£35.70) you don't immediately purchase it without suspecting that it might be a fraud.

The economic condition of the country at the moment is not doing well, so people tend to go for the cheaper packages as long as they are able to travel. It is advisable that tourists need to be more careful as this unethical practice is good in persuading consumers to purchase. These irresponsible sellers are also jeopardising the business of authorised travel agents from the negative image they bring to the society.

5.4.2.3 GENERAL INFRASTRUCTURE

This topic emerged from the discussion considering the importance of infrastructure as a significant determinant of tourism inflows to Perhentian Island. Basic infrastructure is a prominent foundation as one of the developments to enhance a destination. A study from Crouch (2011) argued that a competitive position is significantly compromised due to poor infrastructure. Regardless of that, it is also the government's role to ensure adequate infrastructure is provided and maintained at the destination. Tourism Terengganu in 2017 promoted the state with the tagline 'Beautiful Terengganu'. The name branding is to generate income for the state economy. Hence, the government tourism bodies emphasise the infrastructure as an important determinant in the destination's success:

Some of the efforts to execute the vision of a premier destination is first to ensure that we have basic facilities and infrastructure to satisfy the tourists (R2).

In maintaining a destination's competitiveness for Perhentian island, of course, we need to offer better infrastructure and facilitates (R1).

Examples of the infrastructure provided on the island include the "boardwalk" as

an effort by the Tourism Malaysia to cater for up-scale tourists on Perhentian Island as a premier ecotourism destination. The boardwalk is a path made out of wood and cement as a walking trail for the tourists' easy access to the beach. Moreover, the overall planning towards a premier destination is also to improve the current condition of the infrastructure and facilities on the island. As R1 stated, *"the facilities offered do not meet up the standard for international destination"*, which includes the poor condition of the jetty and boats. That is one of the reasons why Perhentian Island is not being promoted internationally by Tourism Malaysia as compared to other islands like Tioman Island (R1). With this in mind, it is understood that the government acknowledges the importance of basic infrastructure for the comfort of the tourists. The Department of Marine Park has also been notified of the new infrastructures and developments included in the project by the government tourism agencies (R4).

Having said that, the private stakeholders, like the hoteliers, suggested that the lack of basic infrastructure needs immediate attention by the government. The infrastructure that were pointed out by the respondents consisted of many factors. First there are the basic elements of everyday necessity such as fresh food supply, electricity supply and most importantly internet (R5). It is problematic that over the years of operating on the island the basic needs are not being met. In regard to electricity, Perhentian Island still has no power supply up until today. R4 commented on this matter:

...there is no electricity supply on Perhentian unlike Phuket, Krabi and Lombok. Even Boracay in the Philippines is coming up really fast (...) these islands have their government-built infrastructure from the mainland; they put power cables under the sea. On Perhentian Island on the other hand, we have to generate our own electricity, so we have to burn diesel.

Other cases like the need to communicate through the internet is also challenging because there is no proper ICT infrastructure to keep well-informed of technological developments. Even more, the use of ICT is essential to tourists' needs today, in particular to remain connected to their family and friends. As R5 said, *"tourists wouldn't mind not having a television in their room, but they would*

want internet to Skype or video call to share with their loved ones the view of the island". The use of internet has expanded as not only a source of information but also as the medium for people to post daily life activities, share online pictures and express opinions about products or news (Nouala et al., 2017). The sharing on social media has also resulted in a platform to create awareness of the destination on its attractions. The lack of ICT infrastructure was also highlighted by Hamzah and Hampton (2013), as Perhentian Island is unable to accommodate any bank or automatic telling machine and also has limited credit card facilities due to the limited internet facilities.

The second type of infrastructure highlighted by the respondents was the allocations for campsites. Even though the government is attracting high-end tourists to Perhentian Island, they seem to forget the allocation for those who seek an adventure night outdoors. Camping has become a trend on the island and attracts a great number of travellers. However, the government does not accommodate this type of tourist yet and the facilities and infrastructure for them are still deficient. Due to this matter, R6 made an observation as follows:

...lately I have seen campsites sprouting out on an unoccupied land at the Long Beach and in the jungle. This has been bringing in tourists who are not high spending (...) there are certain areas and beaches that accommodate people to stay for at least RM30 (£5) per night. But there should be an area for people who can pay RM300 (£53.60), RM400 (£71.50), RM500 (£89.40) or even more so there should be 3 to 4 types of accommodation to cater for various categories of tourist. But not when you have a high-end resort and next door is a campsite as this is driving away the high-end guests.

It is suggested that there should be a separate site for the campers with proper facilities to avoid the clash of different users (R6). Also, the accommodation there lacks organisation, so it confuses the tourists and has affected the image of the island. This scenario reflects one of the important elements that is a concern of R4 and his organisation, which is inconsistent development. R4 made the following remark:

This is due to no classifications of area for this accommodation. Because if you are a backpacker you wouldn't want to stay in an expensive hotel, but it is difficult for you to identify the right accommodation as everything on the island is so poorly developed.

R4 stated that one of the agendas of the premier ecotourism destination is to rearrange the accommodation according to their price and number of stars. However, the possibility for this plan to be executed is limited as it requires time and proper management. Hence, R4 was not able to give a definite reassurance to it becoming a reality.

Apart from that, the infrastructure, like the wind turbine located on the island, initially was to convert the wind into energy but it has come to the attention of R5 that the wind turbine does not produce power as there is a lack of wind in the area. R5 questioned whether a feasibility study had been done before the government spent millions on the wind turbine. Finally, the crucial part of infrastructure is maintaining it. Some respondents raised this issue regarding the abandoned jetty that has been collapsed for many years. The condition of the collapsed jetty and rusting wire railing poses a great threat to visitors, especially children. Also, the debris can be considered hazardous to marine life. It has created concerns among the respondents and requires immediate attention from the government, particularly the Besut District Council. The respondents made the following observations:

...if you see there is one jetty collapsed in front of the windmill. It is a huge structure you can see, like 4 stories concrete flat into the sea, the concrete has been in the sea for like 3 years I think (R5).

There was this jetty once torn down and was left in the sea. The thing is they should have cleared it after that, but they have purposely ignored it and endangered the marine life (R4).

In conclusion, Perhentian Island economically is still lacking in terms of accessibility, prices, and infrastructure. Many islands are experiencing exceptionally rapid growth; hence, the government should consider the timeline

to accomplish hassle-free connectivity, controllable prices and sufficient public infrastructure. These factors are considered as the backbone of the destination and represent the basic requirements for a holiday destination.

5.4.3 SUSTAINABLE TOURISM DEVELOPMENT

Another topic which emerged from the discussion is the sustainable tourism development of Perhentian Island. It is suggested that Perhentian Island is worthy of attention for sustainable tourism development due to its economic dependency on tourism and because geographically, it has a significant impact on nature resources. The sustainable development for a destination covers economic, ecological, social, cultural and political aspects (Yoon, 2002). On this topic, the respondents discussed more the environmental impacts of tourism on Perhentian Island, namely, the effects of pollution.

Sustainable tourism practices are currently not being implemented on Perhentian Island by the government tourism agencies (R1). One concept that is associated with the idea of sustainable development is carrying capacity (Butler, 1996). According to Hamzah and Hampton (2013), the accommodation units at Perhentian Kecil can achieve up to a 100% occupancy rate during the high season. A study by Sea Resources Management (2006), on coastal and island development for the Terengganu state government established the carrying capacity threshold limits for Perhentian Kecil but these limits have never been implemented (as cited in Hamzah & Hampton, 2013, p. 53). R1 responded to the issue by suggesting the main constraint to this is the seasonality of Perhentian Island, which closes between October and February and which already affects business operations that run on the island. Therefore, they did not consider the approach as suitable for the destination as compared to Paya Island, which opens all year round and where people can book for a stay without limitation on seasonality (R1). The other stakeholders, especially the hoteliers and DMPM, are very concerned about this situation. R5 complained that Malaysians are ignorant about sustainability. He stressed this issue especially referring to the hotel owners on Perhentian Island that have 'Malay mentality'. This mentality refers to the Malaysians that are mostly caught in the realm between advancement and tradition. For instance, R5 complained that they acted like they know everything when actually they do not. This can be observed in the following comment by R5:

They run the business without knowledge. They just get the money in and that's about it... so my challenge over here for two years is to actually round up everyone for them to think bigger, you know, what's the next step? Which is a very big challenge because they are very resistant.

The lack of attention given to sustainable practices has resulted in environmental impacts on the island. These impacts are mainly caused by the insufficiency of appropriate infrastructure as discussed in the previous section. Moreover, it also leads to potential threats to the natural habitat as the environment is not able to cope with the level of visitors and development. It is suggested that the government should not only add infrastructure but also support sustainable practices.

5.4.3.1 Pollution

Among the forms of pollution highlighted by the respondents are the release of untreated sewage, solid waste and littering and air emissions.

Sewage and waste water

It is common on Perhentian Island for accommodation providers and developers to overlook the provision of a proper sewerage system. As a result, the sea and marine life are being polluted by untreated wastewater. The respondents made the following observation on pollution:

...the sewerage system is functioning poorly and there is a lack of treating sewage before its disposal. Some of them just dispose of it into the sea (R4).

Next time when you go to Perhentian Island I want you to look at other small hotels especially in the Long Beach area and ask them "Hey, where do you flush everything from the toilet and kitchen and whatnot" and if you track the pipes, some of them go to the sea (R5).

...there is no sewerage treatment plant on Perhentian Island. I don't know what others are doing with it, but I personally feel that it is a challenge to treat my own waste water and sewage. Hence, we have to spend a lot of money on this and still we are not producing clean post-treated waste. We just can't... we do not have the facilities, we do not have the space (R6).

Even though some respondents are aware of the environmental impacts from the sewage pollution, they are still in need of support from the government especially from the Besut District Council on practicing sustainability. As suggested by R5, one of the methods to eliminate sewage pollution is to operate a sewage treatment plant for each building. He commented:

For our hotel, we have our own sewage treatment plant (...) It is environmentally safer to treat wastewater, all of it will go to a centralized treatment before it is released into the sea.

He claimed his hotel to be the only hotel using a sewage treatment plant. R5 is still concerned about how other hotels deal with this matter. R6 urged the government to look into the sewage and waste water treatment urgently as this could help reduce the impacts of accommodation in terms of continuing to pollute the sea.

Solid Waste and Littering

Perhentian Island is vulnerable to environmental degradation by solid waste contamination due to the tourism industry. The respondents cited that the growing volume of solid waste on the island is a major threat to the environment and marine life (R4, R5, R6). R4 made the following observation:

...the solid waste management, which I did for my final project, whereby I found that these irresponsible people leave the rubbish at the pontoon in the middle of the sea. Some of the chalets and villages drive their boats to the pontoon and leave the rubbish there. From there the Besut District Council's representative will put a hook on the pontoon and drive it to the land using the boat. So, imagine how the rubbish can fall into the

sea due to there being no proper system for the solid waste management.

The waste removal and garbage collection process mentioned by R4 is already causing serious pollution in the seawater surrounding the island and it is worsening. In addition, when it rains the debris falls into the sea, thus polluting the sea and seabed. Rahim and Lajin (2015) identified the process to be time consuming as the garbage is being left on the pontoons for approximately a week before the second phase, which requires the solid waste collector to transfer them to the Kuala Besut jetty. This phase takes up to four hours based on the weather and the amount of garbage.

R4 perceived that Tioman Island shows a good example of solid waste management as they use bins which are safe for incineration. However, the use of an incinerator is very costly and this is probably one of the reasons that it has still not been implemented on Perhentian Island (R4). Another initiative was also taken by R6 and his organisation to improve their solid waste management:

Now we are trying to adopt this new strategy like bringing back our own plastic waste. We have foam baskets for fishing so after that we will recycle the foam boxes. My workers, if they recycle, they will each receive 50 sen (0.08p) for each foam box that they bring back to our boat. Of course, sometimes the boxes can be damaged, so those boxes will not be sent as they are no longer useable. That's why they try not to damage them so they can get the incentive... The recycled boxes can be used for the next batch of fish and are where we put ice. So, we are looking at small ways to improve.

R6 is hoping that by doing this not only the resort is practicing sustainability but also the staff members are able to learn and familiarize themselves with green practices in the hotel operations.

Air pollution

The most common means of producing electricity on Perhentian Island is largely diesel generators. Many competitor islands in Asia like Phuket, Krabi, Lombok

and even Boracay in the Philippines are no longer burning diesel as they have been provided with electricity infrastructure from the mainland (R5). The downside for business operations on Perhentian Island is that they often suffer from blackouts and electricity shortages. As quoted by R5 on this issue:

[On] Perhentian Kecil, if you notice the accommodation, it is smaller in scale so different buildings have to share the same generator. During the day, they have to turn off the electricity for 7 hours.

Considering their accommodation as a premier resort, Perhentian Island Resort provides electricity for 24 hours to their hotel guests (R5). Thus, the resort finds it difficult to fully claim their resort as eco-friendly because in reality they are still burning diesel. The island can benefit from alternative electricity supplies from renewable sources such as solar panels, which is more appropriate with the hot climate in Malaysia. Despite the alternatives that could reduce the air pollution, there are still obstacles that limit the application of these technologies. The foremost reason is the difficulties in gaining financial aid (R4). After decades of burning diesel, R5 has finally been able to convince the government to provide an electricity supply cable for Perhentian Island. Yet, they are still ambivalent regarding when the project will begin. R5 commented as follows:

The only way we managed to get it is we go the extra mile by seeing the Chief Minister of Tenaga Nasional Berhad... which takes a lot of my effort because hotelier in other countries they can just focus on their product and marketing. But for us we have to think about other things too.

5.4.3.2 CONSERVATION OF NATURAL HABITATS AND OF WILD FAUNA AND FLORA

The effect of pollution highlights the importance of promoting sustainable tourism on the islands and serves as a reminder of just how fragile the wildlife is. One of the biggest threats to the flora and fauna on the island is activities related to tourism. As Terengganu is blessed with its turtle population, Perhentian Island Resort is located in front of its habitat. As quoted by R5, “*Our beach is known as the turtle point, you can see turtles swimming because the area has abundant*

sea grass". As an environmentally conscious hotelier, R5 discussed the continuous efforts from their organisation to protect the turtles:

For example, we will always educate our guests just to look at the turtles, but not to disturb them (...) So, for our guests, we can just control them to see from afar, like 20 meters.

However, the resort is not able to control and guide the tourists other than their guests. Therefore, the problem keeps on repeating especially when other tourist boats do not give a briefing on safety precautions especially towards this endangered animal. It worries R5 as it will affect the reproduction of the turtles when they are stressed whenever tourists tend to touch or disturb the turtles in their natural habitat. The animal stress level is usually due to the sudden changes to their environment such as during peak periods or when the behaviour of human spectators is perceived as threatening by the animal, for instance attempting physical contact with the animal or blocking the animal from escaping (Fernandez, Tamborski, Pickens, & Timberlake 2009). These behaviours are very common on Perhentian Island as multiple snorkellers from many tour boats are continuously harassing the turtles. For this reason, R5 and his team also keep a close watch on the turtles as their beach area is also the place where the turtles lay their eggs. Having said that, the biggest threat to the turtles is the villagers, who take the eggs and sell them for consuming as it is their culture to eat turtle eggs. Being a proactive resort, R5 has regulations on protecting these turtles to prevent them from being taken illegally. He commented as follows:

What we do is work together with the Department of Marine Park Malaysia (...) Normally the turtles will come around 12 to 1 o'clock in the morning to lay their eggs. So, we will always have guards ready, in the season between May and August. We will call this man from the Department of Marine Park Malaysia, who is very respected by the villagers so whenever he comes the villagers will be scared to do anything with the eggs. We cannot stop them due to [the need to] maintain a good relationship with the villagers. After the Department of Marine Park Malaysia comes, they will secure the eggs and will bring them to their lab for hibernation. After about 14 to 15 days they will return

the eggs to us.

The resort accommodates the hibernated eggs by having a turtle sanctuary for them to be hatched in the sea but at the same time being monitored by the resort management for safety. Their hotel guests have the chance to release the eggs into the sea as part of raising awareness to protect this endangered animal. Apart from that, DMPM is deeply committed to the conservation of the ocean and its marine life. Their duty is protecting various habitats and aquatic marine life within the water, which are so often taken for granted especially in relation to tourism activities. The conservation includes limiting human-caused damage to marine ecosystems by raising awareness and educating tourists and the villagers on the risks and dangers:

We do have a team that creates awareness about protecting the ecosystem. Perhentian Island is a bit unique as they have many organisations among the villagers such as the water taxis and snorkelling guides. So, we go straight to these organisations and share with them what are the 'dos and don'ts' (R4).

It is also noted that the water taxi is a popular mode of transportation on the island since there are no roads provided for travelling around the island or to get to the other islands (Ismail et al., 2016). Therefore, it is not surprising that the villagers take the opportunity to provide water taxi services for the communities and tourists. Apart from that, the effort towards marine conservation also features restoring damaged marine ecosystems and protecting the vulnerable species of the marine life. Some participants commented as follows on their approaches to conservation:

In front of our resort we have an area of coral reservation... This year what we are going to do is coral planting, where people will plant corals and we will tag them. For instance, five years in future you can come again and search for the coral plant with the tag number that was labelled with your number. This is to allow the tourists to have an attachment to the island and also the ecosystem. That's why tourism today is not about the products, rooms and whatnot...it is about experience (R5).

We have an office there called the Department of Marine Park Perhentian that monitors the island. Our staff will take shifts day and night to patrol any problems around the island. They will make reports on unusual activities and refer them to the director of the Besut District Council to see whether they have reviewed and approved the activities or not. For instance, if the District Council has said no, we will then refer the case to our HQ for further action. Even the villagers are also helpful in reporting any development to our office (R4).

In conclusion, these stakeholders' noble efforts aim to contribute to long-term sustainable conservation but the knowledge on this is still not put into practice throughout all business operations on the island. According to Waligo, Clarke and Hawkins (2013), the major challenge to achieve sustainable tourism is commonly due to the lack of or ineffective stakeholder involvement. Other stakeholders need to realize the greater impact on business efficiency and competitiveness when sustainable practices are employed.

5.5 SUMMARY

Based on the analysis, 'Tourism Destination Management' is considered to be the most important theme contributing to the destination competitiveness considering it was the first theme discussed among the respondents. This includes (1) the role of the government tourism agencies on Perhentian Island, (2) cooperation between tourism stakeholders, (3) leadership capabilities, and (4) financial aspects of marketing and tourism activities on the island. The issues discussed are similar to those highlighted in the literature as the factors that motivate the success of a destination (Martínez et al., 2014). This is because these integrated groups of subjects are the foundation to build the destination.

The first attribute regarding the role of the government tourism agencies was emphasised by researchers as the government's role is to establish appropriate guidelines and strategies for the destination (Cucculelli & Goffi, 2016; Fernando, 2015; Pike & Page, 2014). This has been highlighted due to the concerns with the marketing and management approach taken by the two government tourism agencies towards the island. It can be observed that there are issues with

communications which could hinder the cooperation among the government agencies. As highlighted in the beginning of the chapter, tourism in Perhentian Island has a multilevel governance structure. This can cause an overlap and conflict in the roles and responsibilities of different actors in the administration of tourism. The lack of focus on the significance of marine life preservation and well-being of the community were also apparent as government agencies put a lot of emphasis on only promoting the island. Due to this, a positive and cohesive relationships between the government tourism agencies and other stakeholders are essential to create strong alliances for a better, more sustainable development of tourism on Perhentian Island.

Despite this, some of the public and private organizations gave an impression that without the need to promote Perhentian island as a premier ecotourism destination, there is a lack of effort by the government tourism agencies in collaborating with other stakeholders. This may be due to the possibility that the leaders from the government tourism agencies may have been chosen based on their political position instead of their skills and knowledge in tourism. The issue of the absence of the leadership expertise in tourism is particularly heightened when the government decreased the allocation of the budget for tourism industry. Due to the lack of knowledge for navigating the industry through the budgetary process there have been subsequent impacts on the promotional activity of the destination. This also may have caused further difficulties in integrating sustainable tourism development practice on the island.

As for the second theme, the discussion was about the 'Economic Development of Perhentian Island' which includes the foundations of Perhentian Island as a tourist destination through (1) accessibility, (2) prices, and (3) infrastructure. These aspects of a destination are vital to attract tourists and ensure the quality of their experiences (Truong, Lenglet & Mothe, 2017). Based on the analysis and observation, Perhentian Island is still lacking some basic necessities of an island tourism destination. Regarding the accessibility, in order to get to the island, a tourist must be transferred using multiple modes of transportation before arriving. This is time consuming especially for the tourists who seek a short travel time to the desired destination. Similar to Kinmen Island, the most crucial element for potential tourists is accessibility, which is problematic due to its insufficient

connections of transportation (Chang, Stylos, Yeh & Tung, 2015). Apparently, the boat transfers to Perhentian Island from the jetty is identified to be smaller compared to other neighbouring islands in Terengganu. Furthermore, many boat operators failed to provide evidence of licenses and present safety procedures to the tourists. This is despite of the efforts taken by the government to offer cheaper fees to operate license for a tourist-boat at Perhentian Island.

Apart from this, Perhentian Island is also facing problems in terms of pricing which includes confusion over the cost of the accommodation on the island. Apparently, there is an increase in dissatisfaction among the tourists and in fraud cases. This can especially be observed from the selling of cheap packages at the jetty – these packages were promoted by unauthorised travel agencies. Even though Perhentian Island has been in operation for a long time, these practices emerged recently where tourists have exhibited a preference for cheaper packages. This has subsequently raised the issues of ineffective enforcement of the law by the relevant government authorities. On top of that, some of the respondents highlighted the lack of focus from the government in managing the basic elements of everyday necessity such as fresh food supply, electricity supply and internet on the island.

These key issues require immediate solutions and the provision of tourism facilities and infrastructure is proposed by the stakeholders especially the government agencies. This is because all of the components are interrelated for the development of the island. In fact, the efficiency of production and distribution of tourism services can be heightened from the increased of tourism infrastructure development (Jovanović & Ilić, 2016). Consequently, this will improve the destination competitiveness.

The final theme emerging from the discussions within Perhentian Island's development was 'Sustainable Tourism Development'. The topic encouraged the participants to give insights into the understanding and importance of sustainability practices considering the environmental impacts of tourism industry on the island including natural resources, pollution and the physical impact. The long-term effect of practicing sustainable tourism is mainly to minimize environmental impacts and sociocultural changes, which consequently extend

the life expectancy of a destination as well as create a unique economic opportunity for local communities (Hassan, 2000). The majority of the stakeholders perceived that issues on the environment and natural surroundings need to be urgently addressed. It is important to note that a destination is formed by destination management to ensure efficiency in resource utilization (Zhou et al., 2015). However, due to the lack of communication and cooperation among the stakeholders of Perhentian Island, as discussed above, there is deficiency in protection and preservation of the natural environment.

Even though the government tourism agencies aim Perhentian Island as a premier ecotourism destination that focuses on sustainability practices for their strategic market development and promotion, the implementation has only just started and will take a longer time to be effective. As shown in Figure 5.6, the key development activities towards the aspiration would take about 11 years. Hence, the government tourism agencies need to develop integrated activities and products that allow urgent environmental awareness from all parties as discussed in the interview analysis.

It should also be noted that the issues raised by the other stakeholders have been identified by the government tourism agencies – such as the need for improved sewage treatment and electrical supply (Figure 5.6). However, the timeline towards realising the planning for Perhentian Island has not been shared with the other private stakeholders by the government tourism agencies. In reality, the planning can be observed on the island to be delayed in some approaches. The government tourism agencies perceived that the aspiration can be expedited if the supporting infrastructure projects can be completed earlier (TPRG, 2015). Besides that, the agencies should also implement consistent monitoring and maintenance programs as the infrastructure built on the island start to deteriorate. With this understanding on the development of Perhentian Island, the next chapter looks to examine the competitive and marketing aspects.

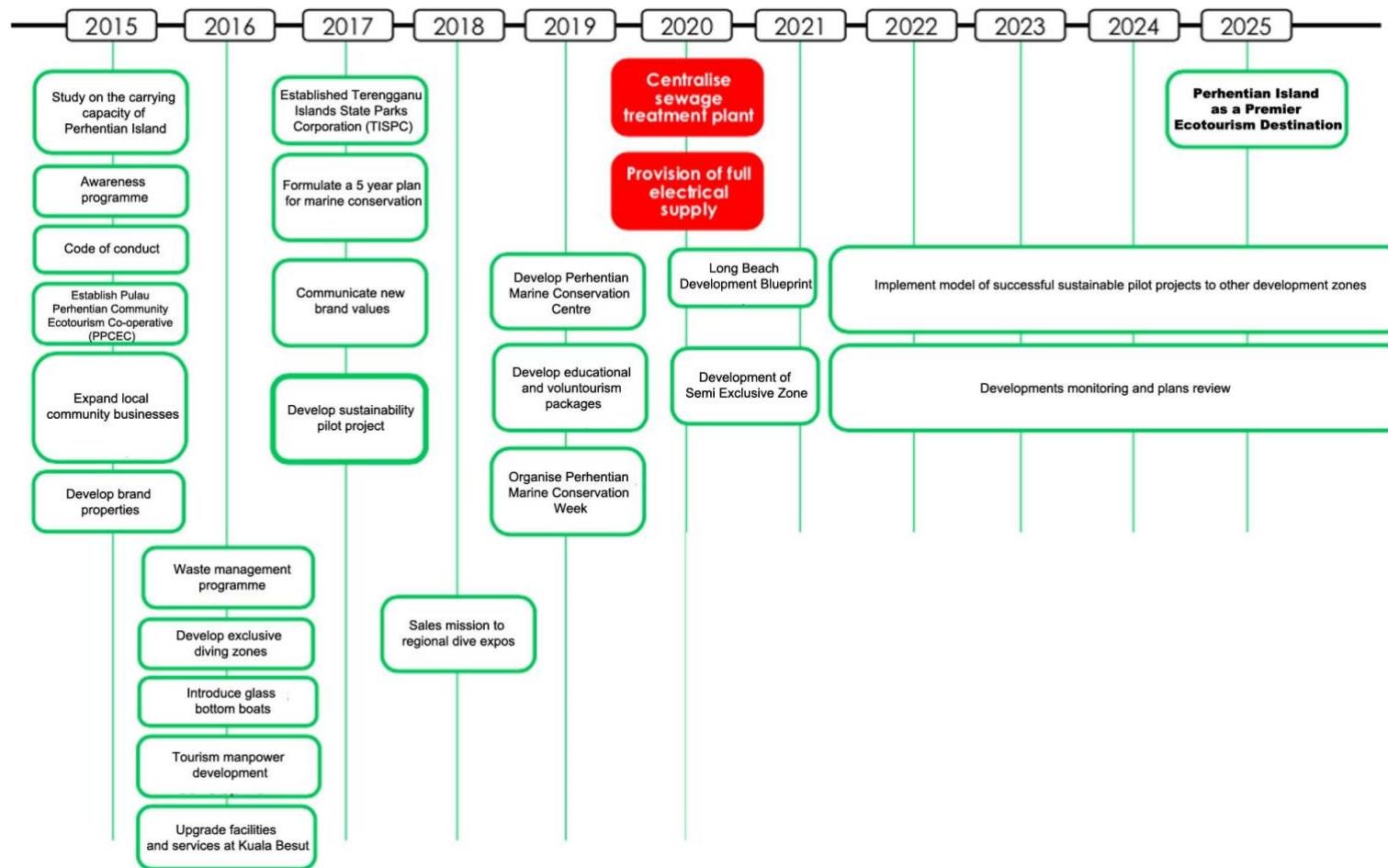


Figure 5.6 - Key development activities towards the aspiration

Source: TPRG (2015)

CHAPTER 6

DESTINATION MARKETING AND COMPETITIVENESS

6.1 INTRODUCTION

This chapter aims to further expand on the results presented in Chapter 5 on the interview analysis and provide the additional themes emerging under the category of destination marketing and competitiveness. The purpose of this chapter is to research the first research objective, which is to explore destination competitiveness from the tourism stakeholders' marketing perspective. Before proceeding further with the data analysis, it is worthwhile to understand the marketing structure of the tourism agencies in Terengganu. These subjects are respectively discussed in Sections 6.2. The following sub-section describes the marketing approach and strategy for the state which includes all the districts with their respective unique attractions. This is followed by a specific overview on the marketing plan for Perhentian Island as a premier ecotourism destination. The overview helps to reveal and enhance the understanding in regard to the marketing approaches conducted for Perhentian Island from the perspective of the government.

The marketing action plan at the time of writing is based upon a 2-year study on the repositioning of Perhentian Island as a premier ecotourism destination prepared by Tourism Malaysia in collaboration with Tourism Planning Research Group (TPRG, 2014). The marketing campaign is targeted to achieve the aspirations by 2025. Nonetheless, it depends on factors such as the completion of the infrastructure projects to support the development of the island in order to meet the goal of being a premier ecotourism destination.

The semi-structured interviews with the stakeholders take into consideration questions about marketing and competitiveness in order to support the construction of the main questions that are relevant to the topics. As mentioned in the previous chapter, the themes emerged from the interviews include 'Competitiveness', 'Consumer Behaviour and Segmentation', and 'Destination Marketing Strategy'. The stakeholder's emphasis on these components as a guideline to ensure sustained competitiveness for the destination which is

discussed in Section 6.3. It is important to acknowledge the other stakeholders' input in the marketing campaign to gain different perspective other than those from the government tourism agencies. Table 6.1 gives an overview of the respondent profiles which is similar in previous chapter for better understanding on the findings presented in this chapter.

Table 6.1 - Respondent profiles

Respondent	Position	Service organisation
R1	Director	Tourism Malaysia Terengganu
R2	Assistant Tourism Officer	Tourism Terengganu
R3	Chairman	The Village Development and Security Committee of Perhentian Island
R4	Marine Park Officer	Department of Marine Park Malaysia
R5	Head of Business Development	Perhentian Island Resort
R6	Managing Director	BuBu Resort
R7	Head of Marketing	WHE Mumtaz Travel and Tour
R8	Sales Executive	Yaudin Holidays and Tours

Source: Author

6.2 MARKETING STRUCTURE

6.2.1 PROMOTING TERENGGANU

6.2.1.1 TOURISM MALAYSIA TERENGGANU

Marketing Strategy

According to Tourism Malaysia, the maintaining of promoting the authenticity of Malaysia's Truly Asia brand is important to reflect Malaysia as a destination of diversity. Tourism Malaysia heavily emphasise on local cultural events with the objective to increase awareness of the destination as well as creating a vibrant, festive and cheerful atmosphere. Thus, the direction of the marketing focus is towards emerging and potential markets. Moreover, meetings, incentives, conferences and exhibitions (MICE) related activities and domestic tourism is also enhanced on the promotional activities due to its great attention received by the tourists. For this reason, the agency ensures broader spread of the information through multiple languages, publicity programs and ICT usage.

Marketing Components

Tourism Malaysia uses different mediums of public relations and hospitality media; a promotion program; advertising; and dissemination of information for their marketing activities. First, the relations and hospitality media concentrate on a learning program for the media to publish travel articles locally and internationally. They also encourage filming at tourist destination by local filming and movie production companies. This is a concept of screen tourism that refers to destination featured on television, video or the cinema screen (Niziol, 2015). Secondly, the promotion program includes sales missions, consumer promotions, exhibitions and expos as well as seminars and workshops. Thirdly, the advertising is commonly based around themed advertising campaigns, advertising together with corporate parties and business entities, advertising in aviation magazine, network satellite TV and CNN, and electronic advertising in selected markets. Finally, the dissemination of information is through video production for tourist attractions, the production of attractive 'window display' materials such as banners, updating information in tourist promotion materials such as brochures, calendar events and most importantly providing easy access to information from the Tourism Malaysia's homepage and tourism hotline.

6.2.1.2 TOURISM TERENGGANU

Promotional Approach

In the case of Tourism Terengganu, the following is a summary of the main promotional approaches. The use of 'Beautiful Terengganu' is providing a platform for branding that consequently shows the sector as the most important economic generator of Terengganu State. An agency was established called Terengganu Beautiful Secretariat to manage, control and monitor all aspects of promotion, events and human resource development. The Visit Year of Terengganu in 2017 was the fourth ever event after the success of the Terengganu Visit Year in 1997, 2008 and 2013. The event has resulted to an increase in the number of tourist arrival for both domestic and international tourists as shown in Table 6.2. Hence, it is expected that for this year there will be even increase in percentage due to their new approaches adopted for reaching out to the tourists.

Table 6.2 - Tourist arrival statistics to Terengganu for years before and after Visit Year of Terengganu

Year	Domestic Tourist	International Tourist	Total	Growth Percentage
1996	1,065,327	166,951	1,232,278	
1997	1,626,392	227,646	1,854,038	50.46%
2007	2,572,299	295,084	2,867,383	
2008	3,147,873	380,281	3,528,154	23.04%
2012	2,768,676	607,399	3,376,275	
2013	3,229,704	807,426	4,037,130	19.57%

Source: Tourism Terengganu (2017a)

Considering the achievements, the organisation continues to further their vision to provide purpose and direction for the state's economy. At present, their vision is to position tourism as the main contributor the growth of the economy. In line with this, their mission is "to attract and boost tourist arrivals and their spend through enhancement of the state's attractions and delivery of high quality services designed for a memorable experience aimed towards making Terengganu the destination of choice". The organisation provides platforms through their promotional activities. They implemented promotional clusters to create competitive advantages which considered to be more focused and integrated. The four cluster products are (i) Kuala Terengganu Waterfront Heritage City, (ii) Island and Beach, (iii) Lake Kenyir and (iv) other tourism products including art and culture, history and heritage, forests and waterfalls, Setiu Wetlands as well as turtle. According to Tourism Terengganu (2017), the tourism products have been identified and clustered into groups the agency has created Terengganu Fun Map (Figure 6.1) which is based on 14 tourism sub-sectors to be promoted in Terengganu as follows:

- Eco Tourism
- Agro Tourism
- Marine Tourism
- Islamic Tourism

- Culture Tourism
- Edu Tourism
- Sports Tourism
- Special Interest Tourism
- Food Tourism
- Heritage Tourism
- Health Tourism
- Homestay
- Architecture Tourism
- Meetings, Incentives, Conventions and Exhibitions (MICE) Tourism

By this approach the organisation is able to promote the tourism products fairly and respond to problems immediately. This is crucial as they are using various types of promotional medium that require attention through domestic and foreign advertising (print media, electronic media, external media and social media), publicity, exhibition, E-marketing and MICE. Moreover, the organisation also identified the importance of organizing events on providing exposure to the state particularly to tourists. Hence, they came out with the idea that called 'Calendar of Events' that highlight on the strengths and uniqueness of the state based on the spectator, participation, destination, branding and followers. They engage the tourists over Road Show Beautiful Terengganu program throughout the districts and Peninsular Malaysia. The road show emphasises on Kuala Terengganu which includes the Visit Beautiful Terengganu 2017. Also, other major events involving activities from Beautiful Terengganu Secretariat and related agencies, private sector and NGOs.



Figure 6.1 – Terengganu Fun Map

Source: Terengganu State Tourism Department (2017)

The organisation acknowledges the influence that tourism collaboration has on tourism marketing. First, they identified the *collaboration with Portfolio Committee* to strengthen the promotional activity within the organisation. The Executive Committee is required to coordinate programs for the agency under their respective Portfolio. This is to allow the Portfolio Committee to organize major programs at the Ministry level in Terengganu. In order to maintain its collaborations, the agencies under the Portfolio are required to conduct product audits periodically.

Second, the *collaboration in the state* which they work closely with Terengganu Pro Asia Cycling Team (TSG), Terengganu State Football Team, T-Team and Terengganu Hockey Team. State and federal agencies have been suggested to organize meetings, sports, family day and other federal agencies programs to be held in Terengganu in 2017 and Key Performance Indicators (KPI) are set for each agency to take at least one major program of the ministry to the state of Terengganu. Among other collaborations are through the display of Visit Beautiful Terengganu 2017 logo prominently in all publications, advertising and promotion materials such as letter head, corporate shirts, t-shirts, goodies, banners, bunting, diaries and others. The Visit Beautiful Terengganu 2017 tourism videos were distributed through all programs, activities and electronic media owned by the agency.

The organisation was also required to bid for programs and federal meetings to be held in the state of Terengganu. This includes organizing national, international-level programs, seminars and conferences. It is also their target to hold programs that can attract local and foreign tourists through products and services that represent the state. Ultimately, they conduct product audits, enforcement and maintenance of tourism products under the supervision of agencies such as basic infrastructure availability, convenience, hygiene, security, price controls and others on a regular basis.

Finally, Terengganu has *collaborations with particular states* in Malaysia which are Perak and Pahang. Terengganu hopes to entice tourists visiting the east coast peninsula state of Malaysia. This effort allows the state to gain more

exposure from their promotional activities through cooperation with Perak and Pahang.

6.2.2 PERHENTIAN ISLAND THE PREMIER ECOTOURISM DESTINATION

Despite the different visions and approaches the tourism agencies have towards promoting Terengganu, they are both moving in the same direction for Perhentian Island. Both of the agencies are working on promoting the island as a premier ecotourism destination. The marketing goal is “To transform Perhentian Island from an affordable and natural island getaway to a premier ecotourism destination” with an objective “To gain more quality visitors to Perhentian Island” (TPRG, 2015).

Market Profile

Previous studies have attempted to identify the current and potential market segments for the international and domestic tourists in Perhentian Island (TPRG, 2015). Through their observation, the current market from the international tourists are dominant by the independent western backpackers from Europe. They are commonly known to stay longer on the island at approximately more than 5 days. Their spending is relatively high on diving compared to the accommodations and meals. As reported by TPRG (2014), based on their semi-structured interviews held with promotional divisions of Tourism Malaysia the potential tourists targeted are from a diverse market. As shown in Figure 6.2, these tourists include those from International schools within Asia, dive associations from Southeast Asia, kids’ scuba diving clubs, volunteers and researchers. By this, the diving market is targeted in a wider range of second tier divers such as beginners and leisure divers.

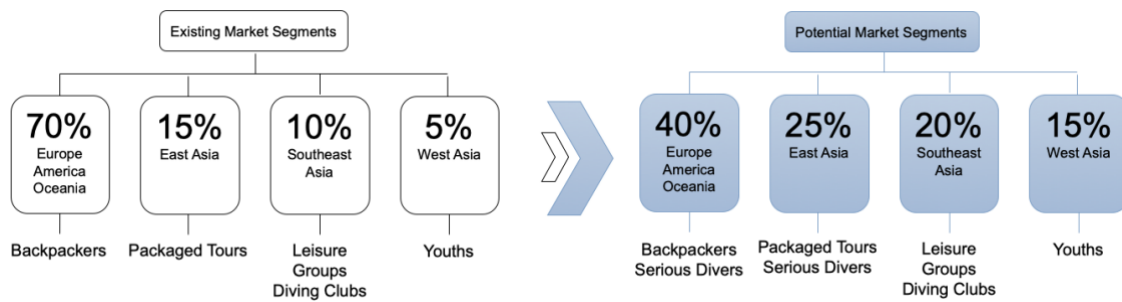


Figure 6.2 - Current and potential international market segments

Source: TPRG (2015)

As for the domestic tourists, the existing market consider Perhentian as a cheap alternative to other islands such as Redang and Tioman. In fact, they are able to get PADI diving license in Malaysia at the cheapest price. Therefore, the government estimated that potentially there will be an increase arrival of schools and diving clubs through educational tours and voluntarism programmes. This explains the increased percentage on tourists in groups visiting the island (Figure 6.3). This aim to diversify interests and activities offer on the island to attract a greater variety of domestic tourists.

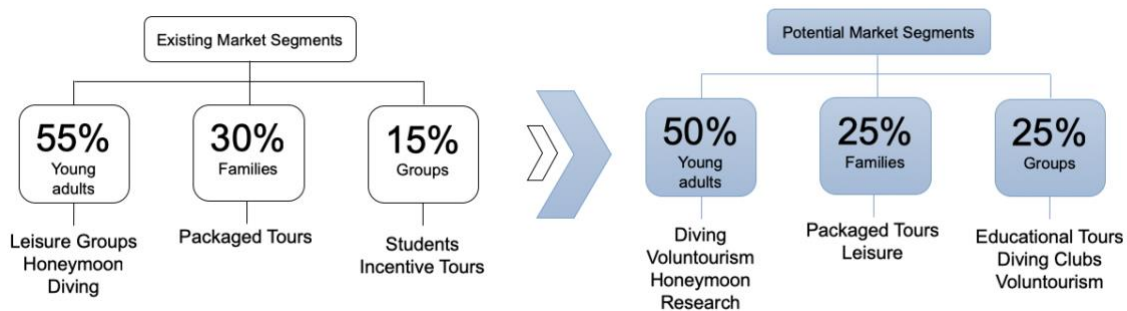


Figure 6.3 - Current and potential domestic market segments

Source: TPRG (2015)

Benchmarking

Destination benchmarking is defined as the process to measure the performance of a destination in itself and against national or international quality grading systems through their strengths and weaknesses (Kozak Volgger, & Pechlaner, 2014). According to TPRG (2014), a study conducted has selected five

destinations to identify critical success factors as part of the process of identifying the position of Perhentian Island in the local, regional and global context. The purpose of the benchmarking exercise can generally be used as a guide for the tourism developments specially to gain improvements and set targets for a competitive advantage. These destinations were selected in reference to their prominent position and branding on tourism islands. The destinations selected for the benchmarking study are as follows:

- Bali, Indonesia
- Phuket, Thailand
- Tioman Island, Malaysia
- Palawan, Philippines
- Dominica, Caribbean Island

Based on Table 6.3, the benchmarking studies are categorised into different elements of Unique Selling Proposition, Tourism Products and Activities, Accessibility, Governance, Top Market Segments and Certification. The findings suggest that the preservation of natural and cultural resources is heavily emphasised by these successful tourism islands. Their unique selling propositions in promoting the natural environment, particularly beaches and coral reefs. This is also supported by the variety of activities done to diversify the tourism economy and attract a wider range of tourists such as shopping, entertainment and sports.

Another crucial element is the accessibility in the development of a tourism island. According to the result, the selected destinations are located to a nearby airport that serves domestic and/or international flights. Comparing Perhentian Island's lack of connectivity, destinations like Bali and Phuket are connected to more than 20 international cities. This definitely gives easy access to targeted source markets which contribute greatly to the success of the destination.

Apart from that, the results showed the important role of an effective governance in creating a conducive business environment for tourism. This includes a government body that is concerned with the physical and social development, environmental protection and marketing the island. The benchmarking islands

portrayed similarity in having a specific governance body to plan and manage both the economic and social development of the island.

The majority of the benchmarked islands received a great number of international tourists. Hence, they create a focused market segment to encourage and enable hassle free travel to visit the island. For instance, Phuket has targeted Chinese and Russian tourists by establishing direct flight routes from major cities in both countries to Phuket International Airport. This is supported by the promotional and marketing activities carried out in both countries.

Ultimately, these islands are eco-certified which consequently support the image of the tourism island as an exclusive or premium destination. It is not an obligatory for all resorts on the island to receive eco-certificates such as Green Globe to contribute to the image. Obtaining one or two certifications is felt likely to give a great impact of the island as a premier ecotourism destination. This is important for Perhentian Island as a tool to attract preferred market segments and increases the luxury image (TPRG, 2015).

Table 6.3 - Destinations selected for the benchmarking study

Destination	Profile	Governance	Tourism Products/Activities	Accessibility	Top Market Segments	Certification
Bali, Indonesia	<p>International tourist arrivals (2013): 3.27 million</p> <p>Average expenditure per tourist: USD 1,118</p> <p>Tourist receipts (estimate): USD 3.65 billion</p> <p>Unique Selling Proposition: Spirituality of the local Balinese people and culture.</p>	<p>Bali Tourism Board:</p> <ul style="list-style-type: none"> Formed by 9 major Bali tourism associations in 2000 Supported by the Indonesian Ministry of Culture and Tourism and the Governor of Bali Responsible for development of tourism and the local community Consults with and represents the tourism industry, public and government 	<p>Balinese culture & heritage:</p> <ul style="list-style-type: none"> Over 20,000 temples Yoga and spa Museums Local dances and performances Natural landscapes Rice terraces Volcanoes Crater lakes Caves Beaches Waterfalls Hot springs Shopping Local handicraft markets at Kuta, Ubud and Sukawati Theme Park & Sports Waterbom Bali Golf Horse riding Water based activities Island cruise Diving Surfing Snorkelling Jet ski Para sailing 	<p>26 international non-stop flights to Denpasar International Airport</p> <ol style="list-style-type: none"> Adelaide, Australia Auckland, New Zealand Bandar Seri Begawan, Brunei Bangkok, Thailand Beijing, China Brisbane, Australia Darwin, Australia Dili, Timor-Leste Doha, Qatar Guangzhou, China Hong Kong Kota Kinabalu, Malaysia Kuala Lumpur, Malaysia Manila, Philippines Melbourne, Australia 	<ol style="list-style-type: none"> Australia China Japan Malaysia Taiwan South Korea France Singapore UK US 	<p>7 Green Globe-certified resorts:</p> <ol style="list-style-type: none"> Anantara Seminyak Club Med Bali Discovery Kartika Plaza Hotel Maya Ubud Resort & Spa Munduk Moding Plantation Samaya Seminyak Samaya Ubud

			<ul style="list-style-type: none"> Sea walker 	17. Osaka, Japan 18. Perth, Australia 19. Port Hedland, Australia 20. Port Moresby, Papua 21. New Guinea 22. Seoul, South Korea Shanghai, China 23. Shenzhen, China Singapore 24. Sydney, Australia Taipei, Taiwan 25. Tokyo, Japan		
Destination	Profile	Governance	Tourism Products/Activities	Accessibility	Top Market Segments	Certification
Phuket, Thailand	International tourist arrivals (2013): ~6 million Average tourist expenditure per day: USD 169/day Average length of stay: 5.81 days	Tourism Authority of Thailand, Phuket Office responsible for tourism development and planning. Phuket Provincial Governor and District Chief appointed by Interior Ministry. Elected city government responsible for administrating the	Natural landscapes: <ul style="list-style-type: none"> Over 15 majors beaches Sunsets Waterfalls Phang Nga Bay Ko Phi Phi Thai Culture <ul style="list-style-type: none"> Local cuisine Buddhist temples Old Phuket Town Cultural performances Entertainment and sports	24 international non-stop flights to Denpasar International Airport <ol style="list-style-type: none"> Abu Dhabi, UAE Beijing, China Changsha, China Chengdu, China Dubai, UAE Guangzhou, China 	<ol style="list-style-type: none"> China Russia South Korea Australia Malaysia 	5 Green Globe certified resorts: <ol style="list-style-type: none"> Anantara Phuket Layan Resort & Spa Anantara Phuket Villas Club Med Phuket Movenpick Resort & Spa Karon Beach Movenpick Resort Bangtao Beach

	<p>Tourist receipts (estimate) USD 5.89 billion</p> <p>Unique Selling Proposition: Island paradise with unique Thai culture</p>	<p>cities of Phuket and Patong.</p> <p>Unlike Bali, there is no special tourism board for Phuket.</p>	<ul style="list-style-type: none"> • Nightlife • Performances • Muay Thai • Diving • Snorkelling • Golf 	<ol style="list-style-type: none"> 7. Hangzhou, China 8. Hong Kong 9. Jakarta, Indonesia 10. Kuala Lumpur, Malaysia 11. Kunming, China 12. Manila, Philippines 13. Melbourne, Australia 14. Moscow, Russia 15. Novosibirsk, Russia 16. Penang, Malaysia 17. Perth, Australia 18. Seoul, South Korea 19. Shanghai, China 20. Shenzhen, China 21. Singapore 22. Sydney, Australia 23. Yekaterinburg, Russia 24. Zhengzhou, China 		
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Destination	Profile	Governance	Tourism Products/Activities	Accessibility	Top Market Segments	Certification
Tioman Island, Malaysia	<p>Tourist arrivals (2013): 232,000</p> <p>Unique Selling Proposition: Pristine wilderness and authentic village life</p> <p>*Featured prominently as Bali Hai in the 1958 movie, South Pacific</p>	<p>Tioman Development Authority:</p> <ul style="list-style-type: none"> Established in 1997 as a special entity for the purpose of administrating Tioman Island Acts as the local authority of Tioman Island Plans, monitors and encourages social and economic development on the island 	<p>Natural environment</p> <ul style="list-style-type: none"> Coral reefs Tropical jungle Marine life Waterfalls Shopping Duty free zone Water based activities Wreck diving Snorkelling 	<p>1 domestic flight a day to Tioman Airport</p> <p>1. Kuala Lumpur</p>	<ol style="list-style-type: none"> Domestic tourists Singapore China India Japan United Kingdom Germany Holland 	No international certification
Palawan, Philippines	<p>Tourist arrivals (2011): 515,148 (50% international)</p> <p>Unique Selling Proposition: The Last Ecological Frontier, the Land of Promise</p>	<p>Provincial Government of Palawan: Responsible for the development of infrastructure, health, education, livelihood and protection of the environment.</p> <p>Palawan State University has a special Centre for Strategic Policy and Governance that focuses research and</p>	<p>Historical and cultural:</p> <ul style="list-style-type: none"> Lighthouses and forts Batak Tribal Community <p>Natural Environment:</p> <ul style="list-style-type: none"> Bird and wildlife sanctuaries Underground river Marine reserves and marine parks Coral reefs Tabon caves <p>Entertainment and sports</p> <ul style="list-style-type: none"> Diving Snorkelling 	<p>4 flights to Puerto Princesa Airport</p> <ol style="list-style-type: none"> Cebu City, Philippines Iloilo City, Philippines Kota Kinabalu, Malaysia Manila, Philippines 	<ol style="list-style-type: none"> Korea USA Japan China Taiwan Australia Singapore Canada Hong Kong Malaysia United Kingdom Germany 	No international certification

Destination	Profile	Governance	Tourism Products/Activities	Accessibility	Top Market Segments	Certification
Dominica, Caribbean	<p>International Tourist arrivals (2010): 77,000</p> <p>International Tourist Receipts (2010): USD 87 million</p> <p>Unique Selling Proposition: The Nature Island of the Caribbean</p>	<p>Ministry of Tourism and Legal Affairs: Responsible for the sustainable development of tourism with special emphasis on ecotourism.</p> <p>Discover Dominica Authority: Responsible for marketing and developing Dominica for ecotourism.</p> <p>Tourism Sector Development Programme: Assist with infrastructural development, technical assistance, community development, and destination and service marketing.</p>	<p>Nature:</p> <ul style="list-style-type: none"> • Hiking/trekking • Whale watching • Beaches • Eco lodges • Bird watching <p>Heritage/Culture:</p> <ul style="list-style-type: none"> • Kalinago experience <p>Sports</p> <ul style="list-style-type: none"> • Soft and extreme adventure sports • Sea sports • Yachting • Snorkelling • Diving 	<p>9 flights to Dominica Airport</p> <ol style="list-style-type: none"> 1. Antigua, Antigua & Barbuda 2. Bridgetown, Barbados 3. Pointe-a-Pitre, Guadeloupe 4. Port of Spain, Trinidad and Tobago 5. Saint Thomas, U.S. Virgin Islands 6. San Juan, Puerto Rico 7. Sint Maarten 8. St. Lucia, Saint Lucia 9. Totola, British Virgin Islands 	<ol style="list-style-type: none"> 1. USA 2. Canada 3. United Kingdom 4. Caribbean Countries 	<p>1 Green Globe certified resort:</p> <ol style="list-style-type: none"> 1. Rosalie Bay Resort

Source: TPRG (2014)

Recommendations and Approaches

With this in mind, there are three recommendations from the study by TPRG proposed for Perhentian Island in order to guide successful marketing activities (TPRG, 2014, 2015). The first recommendation requires *the repositioning of Perhentian Island from an affordable and natural island getaway to a premier ecotourism island destination*. Currently, Perhentian Island is known to be one of the places that offers cheap diving experience and learning in Southeast Asia. The majority of the backpackers perceived diving as one of the 'bucketlist' when travelling, hence new divers have the greater opportunity to dive considering cheap diving licenses that can be acquired at Perhentian Island. Given the situation, the aims for this recommendation are to "To gradually market Perhentian Island to appropriate tourist market segments such as scuba divers, diving clubs/associations and voluntarists" and "To position Perhentian Island together with the other Terengganu islands as a 'second tier fun diving' destination". This can be implemented given that facilities required for the diving activities are provided. The following are the crucial conditions essential for the planning:

- 5-Star PADI Certified Dive Resorts & Centres
- Variety of diving experiences and sites including:
 - Muck diving
 - Underwater photography/ videography
 - Wreck diving
 - Reef restoration
 - Underwater clean-up
 - Nitrox diving
 - PADI certification
 - Leisure diving
 - Scientific diving
- Direct flights to Kota Bharu Airport (Leverage on ASEAN Open Skies)
- Volunteer/educational programmes

The second recommendation is the *leveraging on the marine biodiversity and cultural resources on Perhentian Island as the base for organising special events*

unique to the island. The event will be organized annually as Perhentian Marine Conservation Week that showcases many aspects of marine conservation projects on the islands such as turtle conservation, marine restoration, creation of artificial wetlands and many more. The main objectives of this event are to raise awareness of Perhentian’s aspirations to be a premier ecotourism destination, to educate tourists on the importance of conservation and ecotourism codes of conduct, and to offer a platform for NGOs, resorts and dive operators to sell ecotourism or voluntarism packages. It showcases the local community and conservation efforts on Perhentian Island. Figure 6.4 shows the flow of the partnership between local community and Perhentian Marine Conservation Centre moving towards the premier ecotourism destination.

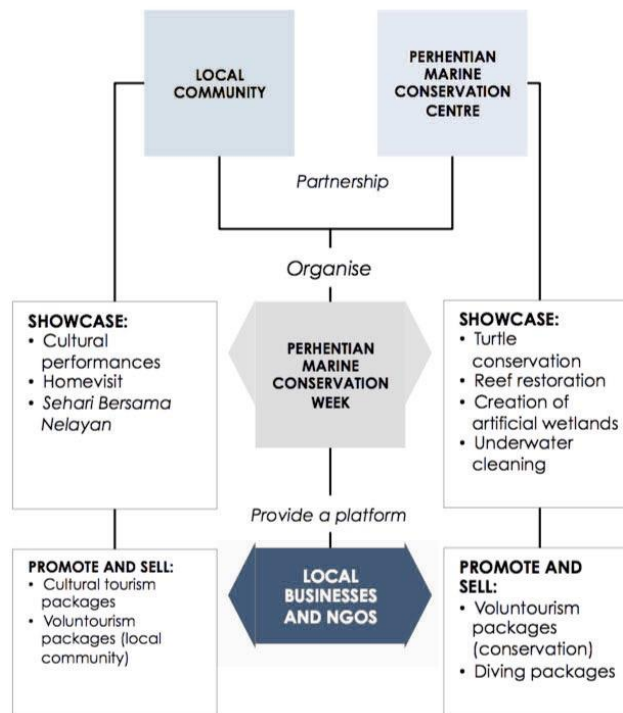


Figure 6.4 - The description to organising Perhentian Marine Conservation Week
Source: TPRG (2015)

The third recommendation is *to utilise customised promotion tools to reach out and attract targeted market segments.* This focuses on the effort to promote diving activities on the island. It is suggested that Tourism Malaysia and Tourism Terengganu collaborate with Pulau Perhentian Community Consultative Council (PPCCC) to set up promotion booth at regional dive expos. The main purpose of

the joint venture at dive expos is to raise awareness about Perhentian Island, sell diving and voluntourism packages, and finally is to create networking with other diving operators and clubs. With this in mind, the following section examines the discussion of themes highlighted in the semi-structured interviews.

6.3 INTERVIEW ANALYSIS

The next subsections present the findings for interview discussions on the important determinants of destination competitiveness perceived by the individual stakeholders. Each factor described represent different competencies given by participants from various stakeholders in Perhentian Island. Their inputs are important for objective one of the study which is to explore destination competitiveness from the perspectives of tourism stakeholders.

6.3.1 COMPETITIVENESS

As mentioned in previous chapter (see Section 5.1), the fifth subject in the semi-structured interviews focused on the Perhentian Island's competitiveness that includes the island's competitors from different perspectives of the stakeholders and also the important element(s) of the island that can be considered unique. The respondents provide interesting contexts to assess destination competitiveness for Perhentian Island. This extends the study on repositioning of Perhentian Island as a premier ecotourism destination by TPRG (2014) with the findings gathered for this study. Most of the respondents perceived being competitive and having benchmark to the destination has its perks to the destination. As stated by Omerzel (2006), it is fundamental for destination management to understand tourism destination competitiveness as it influences the growth of the destination in this saturated market. Hence, it is common for them to set strategies in order to maintain their position in the market long-term.

6.3.1.1 THE COMPETITORS

The majority of the respondents said main competitor of Perhentian island in Malaysia is Tioman Island (R1, R2, R3, R4) (refer Table 6.1 for respondents' coding and profile). Other islands like Langkawi, Redang and Pangkor Island are also identified as the competitors but are not felt to be as strong as Tioman Island. Tioman Island is considered to be well developed with general infrastructure and

connectivity that provide hassle-free experience to the travellers. While from the perspective of a villager, Tioman Island is better in providing residential area than Perhentian Island in terms of more comfortable lifestyle and opportunities for villagers' personal growth. R3 added "we [the villagers] want the future of Perhentian Island and its village better than Tioman Island. I think Perhentian is moving towards that but with Malaysia's economic condition today it will be a long way to go...". Other respondents also highlighted on the things that Tioman has more of compared to Perhentian as follows:

Tioman has Berjaya Air and their target market is the Singapore tourists which are more profitable (R1).

I can say that the beauty of the island is their topography with hills and mountains. Besides this, it is a big island so they have roads that connect from one village to another which shows they have a good transportation network for the people living on the island also for the people visiting the island (R4).

Apart from that, Langkawi Island is said to be the competition for Perhentian Island due to the attention received by the federal government in promoting the island. R2 felt that Langkawi Island are exposed to many tourists compared to Perhentian Island. From his observation, Tourism Malaysia unfairly marketed the islands in Malaysia:

Langkawi Island I think has been heavily marketed by the Tourism Malaysia so they received a high number of tourist arrival compared to the other islands. I supposed they should rotate the marketing on the other islands too like Perhentian. But from what I've seen if among 10 tourists 8 of them will say if island in Malaysia is Langkawi, that's very common. It's not a good impression for the tourists.

In their defence, Langkawi received more tourists from Thailand or Indonesia while Perhentian Island is a bit isolated (R1). Apart from that, R1 suggested they do not promote Perhentian Island as much as they do for Langkawi mainly due

to the facilities in the island that is considered not fully equipped and provided for the tourists. R1 claimed that, “*the facilities don’t meet to the standard*”. That is the reason why it is important that general infrastructure ready are being met first before anything else as emphasised by the respondents.

Since Perhentian Island is generally not equipped with standard facilities, many stakeholders perceived that the destination is not competitive enough to be benchmarking among international destinations. Nonetheless, the majority of the respondents still consider destinations within Asia are potentially comparable as guidelines towards success. Island destinations like Ko Samui in Southern Thailand (R2, R5), Boracay in Philippines (R5), Lombok in Indonesia (R5) and islands in Maldives (R8) are considered more competitive compared to Perhentian Island. These destinations have much potential in the tourism market in the context of infrastructure and facilities provided for the tourists as well as business operation on the island. They are not only very beautiful, clean and breath-taking (R8), but are also equipped with fresh food supply, electricity and most importantly now is internet which Perhentian Island is still lacking. This was partially discussed in Chapter 5 and here repeats the quote by (R5), “tourists wouldn’t mind not having television in their room, but they would want internet to Skype or video call to share with their loved ones the view of the island”. It gives the advantages to their hoteliers for instance to focus on the product they are selling instead of investing their time and resources to get their voice heard by the government like what R5 did over the years with his team management.

6.3.1.2 THE DIFFERENTIATION OF PERHENTIAN ISLAND AS AN ISLAND DESTINATION

Island destinations are commonly associated with similar offers of sun, sand and sea. It is critical to be able to distinguish unique features of Perhentian Island from other island destinations in this competitive market. R6 emphasises on promoting the originality of the island instead of benchmarking against Penang or Langkawi island. Despite the discussion on pollution in the previous chapter, one strongly held view among participants was that Perhentian Island is “pristine and beautiful”. It is believed that the major parts of the island are beautiful but are gradually rising to ‘frightening proportions’ in pollutions. R6 made the following

observations:

Perhentian Island itself is a beautiful destination. The reason why the tourists come and visit the island is because it is not very commercial with no shopping centre. It will spoil the whole identity of the island. The identity of Perhentian Island is very sustainable and pristine, but we have to try maintaining the marine environment and the overall of the island. Even the type of accommodation that we offer should be very simple and basic.

In line with this, R5 also promotes Perhentian Island as a destination for retreat and recharge. R6 even disagreed with the potential to look upon Bali or Phuket for island development. This is because many islands in Asia are monopolised by the Europeans who come for a long stay and eventually start to open up stalls or make small business on the island (R5). The authenticity Perhentian Island projects clearly is significant as the villagers play a major part in the business and representing the island. This is in line with Jaafar, Abdullah & Ismail (2016), that Perhentian Island has reported to change its villagers' employment from agriculture sector to tourism hospitality. The direct interactions between villagers and tourists strengthen the connection for the tourists towards the destination (R2). As commented by R2:

Even the tourists visit the fishermen's village to eat and socialise with the villagers. They are also being offered to stay at homestay that provides the opportunity for them to gather valuable cultural information on the locals' everyday life.

The originality of the island was also captured by a photographer who won an award by National Geographic two years ago by taking a picture of the villagers on Perhentian Island (R5). According to R3, the villagers and tourists consider the Long Beach area as 'Malaysia's Hawaii'. It offers everything needed for an island holiday destination. In fact, few of the things that tourists look forward to is the "snorkelling spot with sharks" (R7) and "there are many activities that these tourists can participate like kayaking, jungle trekking and so on, they will have

their time occupied" (R8). For this reason, the tourists tend to stay a bit longer than the usual.

Even though these unique features are seen as attracting potential tourists, it is important that all the stakeholders to be aware of the "*the danger of over marketing on the island*" (R5). This leads to a risk of exceeding the carrying capacity which could be a danger towards the ecosystem of the island. Bond Island is one of the islands that is crowded with tourists which is difficult for the destination management to sustain and also some other islands in Thailand are being closed down due to coral bleaching (R5). Hence, all of the respondents stressed on preservation and protection. Particularly, on cleanliness, maintenance and, providing better infrastructure and facilities (R1, R8).

In summary, the stakeholders are aware of the importance of destination competitiveness towards the development of Perhentian Island. For instance, through the benchmarking method they are able to evaluate demands and weaknesses that require improvement to ensure establishing standards that perform better than other destinations. Ultimately by focusing on the destination's unique features also creates the potential to increase the destination competitiveness apart from the aspects of the destination that considered important by tourists.

6.3.2 CONSUMER SEGMENTATION AND BEHAVIOUR

Another topic which emerged from the discussions was consumer segmentation for Perhentian Island. It gives insights from stakeholders on the market segmentation they target and continue to attract to visit the island. Apart from gaining profits to the stakeholders, these consumers play an important role to the economic and social benefit particularly to the community on the island. For instance, the local community is able to gain benefit from the infrastructures provided and job opportunities. Hence, the stakeholders focus on the consumers that are basically advantageous to the island's overall prosperity.

The majority of the respondents cited their priority market as being the international tourists from European countries. The reason for R8 choosing this

market is observed as follows:

We target more on the international tourists as they stay longer at the island compared to the locals. Their stay can be months or sometimes for a year. We find that it is more profitable to have them as our customers.

While tourism government agencies target the international tourists mainly due to their new proposed project; the premier ecotourism destination. In this project, they aim to expand the market segment to “*high end tourists*” and “*international tourists*” as the current tourist arrivals are higher in domestic tourists (R1, R2). The hoteliers suggested that they receive a higher number of customers from international countries. Within the total number of 60% of the international tourists 50% are from the European countries (R5). As stated by R5, according to the majority number of tourists that came “*number one is Italian, second is French and third is German*”. While R6 would like to expand the scope of international tourists not only from Europe but also the Asian market to come to the island. Similarly, R5 is targeting China since 70% of the citizens are landlocked but have higher potential to spend. He commented:

...when you have cities like Shanghai, Hong Kong they can see the sea. But cities like Zhenjiang they have never seen the sea, so when you see their expression seeing the island for the first time is like mindboggling! That's why we are targeting China, huge country but most of them are landlocked and the purchasing power are higher.

Regardless of the positive outcome from approaching the international tourists, R7 targets on the domestic tourists. He finds it difficult to reach out and communicate with the international tourists:

For instance, if this tourist from Australia wants to come to the island, he or she will directly deal with the travel agent there instead of contacting us here in Malaysia. The difference between Malaysia and Singapore travel agency is that our travel agency cannot get into their market to sell

our packages, but Singapore can get to Malaysia if they want to buy the packages. So, as a Malaysia travel agent we cannot bring people to Singapore. The only way is we need to contact the travel agent there to take us. But for the Singaporean tourists to travel to Malaysia they can just buy packages from their travel agents. This is more towards the law of travelling they implemented there.

Owing to this, it is suggested that the government create a law that can be implemented to the travel agencies from overseas so that it will allow the travel agency here to be the representative of this country. This can boost their business and consequently the economy of the country. R7 had some good experiences with the travel agencies from Japan and Korea whereby they have good business ethics and are very respectful of others. In fact, he does not have problem with domestic tourists as they are also easy to communicate with and are very understanding. According to R7, he once had a bad experience with an international tourist who looked down on the locals and neglected given any advice.

In conclusion, it is important for market segmentation as it allows the stakeholders to cater to specific needs and wants. Consequently, marketing spending is invested more effectively compared to targeting an entire mass market. The desire of segmentation drives opportunities for competitive advantage in the marketplace.

6.3.3 DESTINATION MARKETING STRATEGY

The final theme focused on the destination marketing strategy of Perhentian Island towards being a premier ecotourism destination. This topic is part of marketing strategies that will build the destination and drive tourist traffic. It includes the planning process that reflects the goals and objectives of the stakeholders to attract the market segments as discussed in the previous subsection.

6.3.3.1 TYPES OF MARKETING ACTIVITIES

When the stakeholders have identified their market segmentation, they will have to think of ways connect to the market. In order to perform this, they highlighted the type of marketing activities use to promote Perhentian island. The majority of respondents mentioned the use of social media and the internet to reach out to tourists in their promotional activities. Considering the tourism government agencies are financially supported by the government to promote the destination, they have more advantage in easily connecting with the tourists through different means of communication. They utilise the use of television shows, websites, social media, magazines, books and billboards:

We use a lot of electronic medias from television shows that are hosted by famous celebrities such as Mat Dan, the British man who can speak Malay with Terengganu slang very well..., also we use printed medias such as newspapers, few magazines like Gaya Travel, Santai, Going Places... apart from that billboards at the airports and public transportations (R1).

We have few types of promotion used from different medium such as the official Tourism Malaysia website, Cuti Cuti 1 Malaysia Facebook, 10001 packages by Tourism Malaysia, Santai magazine, Terengganu Map and Guide and finally Malaysia Travel Guide (R2).

In addition, R2 perceived that marketing campaigns through events are even more effective. They approach the people who come to the event to give some unique insights on what to expect when travelling to the destination. Even though the money spent for this kind of campaign is expensive, the return of investment they get are very high as well according to R2. He described this as follows:

During these campaigns, we will bring our sight, sound, taste, smell and touch, all these 5 senses of Terengganu to the visitors including our food and packages for them to experience so that it will entice them to come to Terengganu and Perhentian island.

On contrary, the private stakeholders rely heavily on social media to promote and connect to their customers. They use Facebook and Instagram actively as it allows the user to communicate with them with just one click away (R5, R6, R7, R8). Besides this, with the increase number of active social media users these stakeholders aim to reach out to the consumers as much as possible. As explained by R5, the use of Facebook advertising allows the company to identify the target market through a filtration process. This process gives the advantages to the stakeholders in choosing their target market as follows:

For example, we choose users from France, age from 29 to 35, usually woman who makes the travel planning so target female, target people who likes nature or island. So, these 4 are the targeted marketing for our resort.

The use of social media is also considered to be the most effective main media to transmit advertisements compared to print media which requires the company to print brochures and distribute them (R6). However, R5 felt differently towards the market in the East Coast of Malaysia which are from Pahang, Kelantan and Terengganu. They are still living a rustic lifestyle known as the 'heartland of Malay culture' (Jaafar, Abdul-Aziz, Maideen & Mohd, 2011). It is understandable that the majority of them are still not on Facebook or any social media. Hence, by approaching them through traditional media like newspapers seems appropriate within the area (R5).

6.3.3.2 MEASURING AND MONITORING SUCCESS

With that knowledge in mind, the stakeholders highlighted how to measure and monitor success of their marketing activities. This is due to their concern of the rapidly changing nature of the tourism industry and tourist behaviour. It is common in the tourism business to have high and low seasons especially with adapting to Monsoon Season in Perhentian Island whereby it closes for 3 months. Therefore, these stakeholders usually organize meetings and reviewing feedbacks in order to measure the level of success in their marketing activities (R2, R5, R6, R7, R8). For instance, the meetings held by R2 within his organisation are with their Executive Committee to review the yearly tourist

arrivals to make certain that the marketing activities have been executed successfully. While R7 regularly organize meetings with his department on a weekly and monthly basis. He explained on this as follows:

For our weekly meeting, we have set a benchmark for every Wednesday at 4pm everyone from the marketing department need to send their reports to me. On Thursday, we will discuss on the submitted reports on each part of the marketing delegated to us. (...) While the monthly meeting is when we want to review our sales with the marketing plan and the actual result. Usually when a target is not being met we will thoroughly go through what are the reasons to it because tourism is an ever-changing industry.

Owing to this, coordination within organisation is crucial to ensure the marketing strategies are being followed. Regular meetings provide opportunities for mutual support, understanding and gather vital information from one another. When the planning has gone into the market the stakeholders are then able to review and respond to feedback. For instance, R6 identified responses through TripAdvisor, Online Travel Agency and resort guests' comments. It facilitates the organisation to improve in the future. Therefore, they consistently monitor the marketing activities by keeping track of numbers, budget and Key Performance Indicator (KPI) to gain sufficient information for development (R5).

6.4 SUMMARY

Based on the analysis, a range of findings have been made on elements of Perhentian Island competitiveness. In relation to Perhentian Island competitors, the majority of the stakeholders responded that they felt Tioman Island was the main competitor in Malaysia. This is similar to the findings of TPRG (2014). The pressures on the existing inadequate facilities in Perhentian Island was mentioned by the participants. As part of business operators that seek long-term profit, the current situation linked to incremental improvements not only on infrastructures that support tourism but also economic development. Other island destinations in Asia like Ko Samui, Boracay, Lombok and Maldives receive greater tourist arrivals compared to Perhentian Island whilst maintaining their

image with beautiful flora and fauna. Importance of having a “pristine and beautiful” island as noted needs considerable attention in the effort to preservation of island environments, cultures, ecology, and marine ecosystems. Hence, to gain competitive edge is compatible with the principles of sustainable development (Bunja, 2003). As this is also considered essential for Perhentian Island as its core attribute are the beautiful visual appeal and local community.

Apart from that, the respondents are aware of the importance of marketing segmentation in establishing a marketing strategy. It provides ratification and support for promotional activities that correspond to a destination’s characteristics, products, facilities and tourist demand. The discussions have demonstrated that the stakeholders understand their position on promoting the Perhentian Island. They utilise marketing activities according to their financial state but are able to reach out to their target market, with the majority using social media. Nonetheless, the approach to elevate the island is critical to its success in terms of promoting the wellbeing of both villagers and their environments. It is an essential factor to consider in tourism development. This factor has a high potential to further increase community well-being and allows better coordination amongst stakeholders to encourage sustainability practices to maximise benefits and competitive position in the market.

Across many themes identified by the stakeholders was that of the development and marketing of Perhentian Island in achieving destination competitiveness. Figure 6.5 shows that in becoming a premier ecotourism destination, Perhentian Island requires further attention on the discussed factors. As suggested by Chan (2014), in order to develop an ecotourism destination, it is necessary to put emphasis on low-density developments and protection for the coastal environment. This is line with the stakeholders’ discussion on sustainable tourism development (Section 5.4.3) that identifies the importance of conservation of natural habitats and wild fauna and flora at Perhentian Island. In fact, destinations used for benchmarking in Table 6.3 by the Tourism Malaysia like Bali, Phuket and Dominica managed to receive eco-certificates that acknowledge their commitment to sustainable practices and offer high quality nature-based tourism experiences (TPRG, 2015). Subsequently, the award contributes to the image of

these destinations as a premier ecotourism destination. Therefore, for a destination to present this image requires a continuous process of planning and management that evolves over time. In order to facilitate the process, the interventions from all relevant stakeholders in the destination is vital to assist in demonstrating strategic and better progress at all levels which Perhentian Island is still lacking. For this reason, it is necessary to overcome the complexities and gaps of understanding across the many parties involved to achieve the objective of Perhentian Island as a premier ecotourism destination.

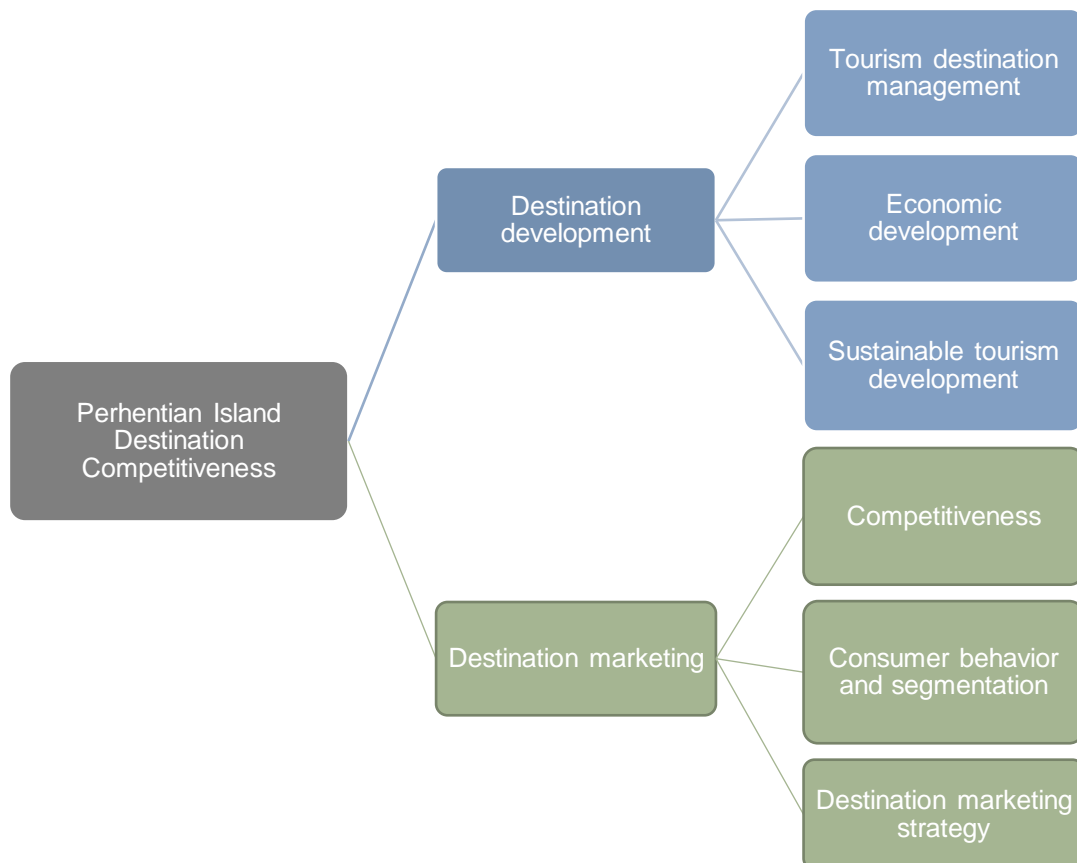


Figure 6.5 – Themes emerged relating to Perhentian Island destination competitiveness

Source: Author

CHAPTER 7

VISITOR DEMOGRAPHIC AND TRAVEL PROFILE

7.1 INTRODUCTION

In the previous chapters, qualitative methods and procedures were established for the analysis specifically of the perspectives of destination competitiveness among the tourism stakeholders. This chapter aims to describe and analyse the main results regarding visitor demographic and travel profile of travellers to Perhentian Island therefore fulfils the third objective of the study. The examination of tourist characteristics was measured through 13 different dimensions. The descriptive statistics consider results obtained according to three different segments. The first segment presents the demographic profile of the surveyed respondents based on variables depicting the country of origin, nationality, gender, age, education, marital status, highest level of education and employment status (Section 7.2.1). The second and third segments in Section 7.2.2 provide the travel profile, which consist of variables such as first-time or repeat visit to Perhentian Island, the number of previous visits to Perhentian Island, the sources of information used to obtain information about Perhentian Island, if staying overnight on Perhentian Island and the respective number of nights, type of lodging chosen and travel companion to the destination. Also, it describes the decision-making process and the analysed variables, which comprise the sources of information used to obtain information about Perhentian Island, return intention and willingness to recommend Perhentian Island.

This analysis draws on the quantitative survey described in Section 4.5. As presented in Section 7.3, the variation in the significant differences between the tourist characteristics can be determined through the two main variables of quality of tourism experience and Tourism Destination Image (TDI) (Beerli & Martín, 2004; Boo & Busser, 2006; Prebensen et al., 2012). The variables developed to gain an understanding of the market profiles of the island, which enabled the researcher to identify existing and potential tourists. From this, the results allow us to observe the differences between the international and national tourists visiting Perhentian Island according to their characteristics.

7.2 TOURIST PROFILE

7.2.1 DEMOGRAPHIC ANALYSIS

Understanding the demographic structure of tourists is an important starting point in deciding the target method and hence, improving tourism destination competitiveness. As Echtner and Ritchie (2003, p. 37) explained, “*In order to be successfully promoted in the targeted markets, a destination must be favourably differentiated from its competition, or positively positioned, in the minds of the consumers*”. This considers the position of a destination management organisation to assess competitiveness through visitor demographic and travel profile. The ability to respond to different profiles requires tactics that address the ever-changing and growing tourism market (Uysal, 1998).

This section describes the socio-demographic characteristics of the visitors as derived from section E and F of the questionnaire (**Appendix 4**). The designated profile surveyed is important for the study’s descriptive understanding of the respondents and market segment of Perhentian Island. Moreover, it gives insight into the management practices specifically for the island and its market. In this regard, first it is necessary to examine the demographic profile starting from the place of origin of the respondents.

Place of Origin

Perhentian Island attracts tourists from different parts of the world. Table 7.1 depicts the respondents’ region of country with the majority from Asia (60.1%) followed by Europe (30.0%). Apart from the Asian tourists, who contribute to a great number of tourist arrivals on Perhentian Island, the historical statistics shows that the majority of the tourists who visited the island are from European countries (Haddock-Fraser & Hampton, 2012; Ismail et al., 2011). According to Salmond (2010), it is the biggest market for tourist destinations in Southeast Asia are the Europeans. From the survey particularly, the largest groups of tourists from Asia were Malaysian (58.2%), while European tourists were mostly British (9.9%), French (4.2%) and Dutch (3.3%). The survey was conducted in the Malay and English languages, and although there were some tourists who declined, they did not seem to be from any one group.

Table 7.1 - Tourists' country of origin

	Percentage (%) N= 213
Asia	
Malaysian	58.2
Indian	1.4
Chinese	0.5
Burmese	0.5
Total	60.6
Europe	
British	9.9
French	4.2
Dutch	3.3
German	2.8
Swedish	2.3
Italian	1.9
Spanish	1.9
Danish	0.9
Austrian	0.9
Polish	0.5
Bosnian	0.5
Irish	0.5
Portuguese	0.5
Total	30.1
North and Central America	
Canadian	3.3
American	2.8
Mexican	0.5
Total	6.6
Africa	
Egyptian	0.9
Libyan	0.5
Total	1.4
South America	
Argentinian	1.4
Total	1.4

Source: Author's fieldwork

Socio-demographic Characteristics

Based on Table 7.2, the gender percentage of the respondents surveyed are dominated by the females from both group of tourists with 60.5% and 69.7%. Previous research on Perhentian Island obtained a slightly higher number of male respondents than female, or a balance between the two genders (Ismail et al., 2016; Jaafar et al., 2016; Nejati, Mohamed & Omar, 2015; Rasoolimanesh, Jaafar, Marzuki & Abdullah, 2017). The tendencies in receiving a higher number of female respondents is probably due to the use of female interviewers to approach the tourists. This is common in Malaysia, where the Malays are brought up in the religion of Islam and the associated gender norms in terms of communication between the genders. Unconsciously, this conventional teaching can also be portrayed as the reason why the female respondents volunteered to answer the questionnaire among a group of friends and families even though there were men in a group.

It is also possibly not surprising that the majority of respondents are female compared to male. This is because the women travellers now are also at the forefront of the global tourism industry and have an increasingly passionate desire to travel. In fact, more than half of the markets for both leisure and business travel consist of female travellers (Zhang & Hitchcock, 2017). The researcher observed that the majority of the women were travelling with female friends and relatives on Perhentian Island. This is a popular phenomenon called 'girlfriend getaways' (GGA), which is associated with females travelling together (Song, 2017). According to the Department of Statistics Malaysia (2017), there is a small gap in the economic participation and opportunity between the men and women's population in Malaysia, but it is estimated that the labour force participation rate for Malaysian women will increase over the years. Substantially, the women in Malaysia now possess formidable financial strength. Hence, they tend to make their own decisions and have greater purchasing power, which contributes to the growing segment of women travellers.

Table 7.2 - Demographic profile

	Percentage (%)	
	Domestic Tourists N= 124	International Tourists N=89
Gender		
Male	39.5	30.3
Female	60.5	69.7
Age group		
18-21	30.6	28.1
25-34	55.6	48.3
35-44	8.9	10.1
45-54	4.0	5.6
55-64	0.8	6.7
Over 65	0.0	1.1
Marital status		
Single	63.7	71.9
Married/ living together	33.9	24.7
Divorced	1.6	2.2
Widowed	0.8	1.1
Education level		
No formal education	1.6	10.1
High school	17.7	12.4
Short courses	4.0	3.4
Diploma	28.2	14.6
Degree	40.3	38.2
Master	8.1	21.3
Employment status		
Employed	63.7	46.1
Self-employed	16.1	10.1
Unemployed	0.8	7.9
Retired	0.8	5.6
Student	17.7	27.0
Other	0.8	3.4

Source: Author's fieldwork

In Malaysia alone, young women between the ages of 18 and 35 years are the largest group estimated to make the highest number of future outbound trips (Khan, Chelliah & Ahmed, 2017). This is in line with the results of the survey which shows that among 75 Malaysian female respondents, 65 of them were young women. Findings from TPRG (2014) also showed that the number of female domestic tourist respondents was higher compared to male respondents.

Previous literature identified Perhentian Island as appealing to these age groups due to the island's offering of water activities such as diving and snorkelling (Daldeniz & Hampton, 2013; Ismail et al., 2011; Jaafar et al., 2016). Perhentian Island is in fact one of the most significant dive locations in Malaysia. However, the diving operators are still aiming to remain small in spite of the growing competition and increase in the price of diving (Jeyacheya & Hampton, 2016). For this reason, the Malaysian government is targeting second tier divers, which are the beginners and leisure divers, in line with the repositioning of Perhentian Island as a premier ecotourism destination. This market segment consists of mainly high-end, upmarket, international tourists that have relatively high incomes that require a quality scuba experience. Because of this, the government has developed more options for the diving market by providing exclusive diving areas covering 3 popular scuba diving spots, namely Tokong Laut, Terumbu 3 and Vietnamese Wreck (TPRG, 2015). By this effort, the government will be able to shift the market from attracting a high volume of backpacker tourists to a wider age group of tourists that seek an exclusive holiday experience on Perhentian Island.

From the age group results, it was expected that the majority of the younger tourists were single and never married with 63.7% for domestic tourists and 71.9% for international tourists (Table 7.2). Perhentian Island attracts many single tourists that seek freedom in making travel decisions. As stated by Lee, Chung and Lee (2017, p. 423) "single travellers can easily change or cancel their travel plans". The growing number of single adults, as estimated since the 1990s, is one of the most interesting demographic trends of the twentieth century (Stone & Nichol, 1999). This growing number of tourists requires attention by the destination management to cater for their travel preferences, especially regarding the selection of travel destination and accommodation. Perhentian Island, on the other hand, has already established facilities catering for the single type of tourists for many years. The setting of this island influences the single travellers to create interaction among each other as an opportunity to build new friendships. Furthermore, the single travellers are commonly backpackers, which are defined by Pearce (1990, p. 1) as follows:

a group of predominantly young travellers who are more likely to stay in budget accommodation, have an emphasis on meeting other travellers, are independent and have a flexible travel schedule, stay for a longer rather than a brief holiday, and focus on informal and participatory holiday activities

With this in mind, the government and tourism stakeholders are currently transforming the island into a more family-friendly and couples retreat. Therefore, diversification of tourist market segmentation to a broader group of tourists is in line with the marketing objective on Perhentian Island as a premier ecotourism destination (TPRG, 2015). This was previously discussed in Section 6.2.2 regarding the market profile of the island.

In terms of the education level, the respondents include a fairly large number of university graduates of degree holders among the domestic (40.3%) and international (38.2%) tourists (Table 7.2). A study by Gustafson (2006) suggests that those with a high level of education are much more likely to travel than those with only primary and secondary education. This is mainly because they have higher car-ownership levels, more disposable income, and have more control over their work schedules (Pas, 1984). Thus, the higher educated tourists are flexible in making plans for travelling and are actively involved in social activities for their overall sense of well-being. The education status shows that university graduates as well as employed workers are interwoven and related due to the nature of the labour market and the evolution of their work. As stated by Ipingbemi (2010), education achievement is associated with income level and source.

It should be noted that for the first weekend of the third phase of the quantitative data collection, interviews were conducted during one of the school holidays in Malaysia. It was expected that many travellers, especially the ones working, would take a break during that time on the weekend. The school holiday started on the 14th April but most of the domestic tourists had already taken a day off to go to the island, which is a common practice in Malaysia. At the same time, during that weekend Perhentian Island had just officially opened for the season due to

the monsoon season between November and February. Therefore, many travellers had anticipated visiting the island after a long break.

The second weekend of the data collection took place between the 4th and 6th of May 2017, which was also one of the busiest weekends on Perhentian Island. Even though the school holiday had just ended, tourists usually take the opportunity to visit the island during this time to make sure that the weather is better after a month of opening. The major market segments that the researcher observed for these dates were international tourists and students.

7.2.2 TRAVEL PROFILE

The following sub-section discusses the research results that allowed the researcher to identify the travel patterns of the tourists visiting the island. Table 7.3 represents the different tourist travel profile from domestic and international tourists to reflect the complexity of Perhentian Island’s current tourist market segmentations that correspond to the origin and significant preferences.

Table 7.3 - Travel profile: Domestic and international tourists

	Domestic Tourists N=124	International Tourists N=89
First visit to Perhentian Island		
Yes	56.8%	88.6%
No	43.2%	11.4%
Number of previous visits		
First time	56.8%	88.6%
Every few years	16.8%	5.7%
Once a year	9.6%	2.3%
Several times (2-4 times) a year	9.6%	2.3%
More than 4 times a year	7.2%	1.1%
Stay overnight on Perhentian Island		
Yes	95.2%	98.9%
No	4.8%	1.1%
Number of overnights		
Mean	2.4	10.2
Median	2.0	4.0

	Domestic Tourists N=124	International Tourists N=89
Types of classified lodging		
Resort	28.8%	42.0%
Chalet	65.6%	51.1%
Dorm	0.0%	4.5%
Camp	0.8%	1.1%
No stay	4.8%	1.1%
Travel companion		
No one	4.8%	19.3%
Partner	24.0%	26.1%
Family or relatives	29.6%	13.6%
Friends	40.8%	40.9%
Co-workers	0.8%	0.0%

Source: Author's fieldwork

The analysis in Table 7.3 shows that most of the visitors only had their first visit to the island during the data collection. For the visitors that had previously been to Perhentian Island, the majority of them still go every few years but not regularly. The result demonstrates the lack of loyalty to the destination by the respondents particularly the international tourists with only 11.4% being repeat visitors. This is because there is a high chance that the previous experience the tourists had at the island influenced their travel decisions especially on choosing a destination (Oppermann, 2000). Conventionally, the degree of tourists' satisfaction resulted in them having re-visited or felt loyalty to the destination (Idrus et al., 2012). This relationship emphasises the importance of overall tourist experience provided by the destination, which indicates the degree of customer loyalty through their number of visits. These findings strengthened the need to further explore the interrelatedness of tourism experience and tourist loyalty in the study.

As for their stay at Perhentian Island, a great majority of tourists from both domestic and international tourists stayed overnight on the island at 95.2% and 98.9% respectively (Table 7.3). The possibility of the high number of tourists staying overnight could have been due to the limited boat transfer time back to Kuala Besut jetty. Boat transfers provided from the island to the jetty are only available three times daily, which are at 8am, 12pm and 4pm. This may have meant that the tourists required a night's stay in order to be able to experience activities offered on the island. Nonetheless, the increasing accommodation on

the island has given more options for the tourists to choose between (Muhibuddin & Mohamed, 2014).

With regard to the number of overnight stays on Perhentian Island, the average stay is about two nights for domestic tourists and ten nights for international tourists, generally in a resort or chalet. The number of nights stayed by the domestic tourists shows that they commonly have a weekend stay on the island. In contrast, the international tourists were identified as staying longer, as mentioned in Chapter 6 by TPRG (2015) and the respondents in Section 6.3.2. Most of them stay for a minimum of 5 nights on the island which is considered to be very profitable for the accommodation operations.

As for the type of accommodation, many of the tourists had their stay in chalets on the island. This is because there are a variety of options for chalets compared to other accommodation (Tourism Terengganu, 2017a). In fact, these chalets are much more affordable, costing within the range of RM50 (£9) to RM330 (£59) per night. However, the international tourists had the choice between the chalets and resorts with the majority of them affording to stay in resorts on the island. For this the price for one night is up to RM1050 (£187.60). International tourists from European countries have the potential to spend more as the currency exchange is more advantageous to them compared to those from other countries in Asia. The price rate can be too expensive for many local tourists considering that the average income for them is below RM1000 (£178.70) (Fitri, Ahmad & Fernandez, 2016).

The greatest proportion of both the international and domestic tourists were with friends (40.8% and 40.9% respectively). This is similar to the previous study that found friends travelling together as being most common on Perhentian Island (Fitri et al., 2016). The choice of travel partly can be influenced by the type of destination and the activities provided for the tourists (Wu, Zhang & Fujiwara, 2011). This is different compared to “travel alone”, when the tourist is not obligated to make decisions considering anyone else. Tourists travelling to Perhentian Island can enjoy many group activities such as diving, hiking and snorkelling, but at the same time they can also experience a romantic holiday

with their partners. This explains why the second highest ranking companion for the international tourist was partners (26.1%) while the domestic tourists chose family or relatives (29.6%) suggesting that Perhentian Island has strength in diversified tourist activities suitable for group travelling.

In the travel decision process, the results show that tourists have gravitated towards using the internet to gain information on Perhentian Island, with friends and relatives' recommendations as the second most important source of information (Table 7.4). The result is similar to previous research, where the most convenient way to gather information on the island was through the internet (Fitri et al., 2016; Rose et al., 2012). The internet also provides a platform for the tourists to book their holiday packages directly with the designated accommodation at no additional cost, unlike telephone call bookings, which incur call charges and potential additional fees. The information is commonly found on the government and business operators' websites, which contain the details needed to contact accommodation or review the island. The use of the internet is popularly being adopted by the tourism industry, even though the credibility of some information sources is questioned. Notably, the platform of exchanging information is via social networking sites (SNSs), which can represent self-promotion and strategic self-presentation to influence impressions (Van Dijck, 2013). In other words, the image and perception of a tourism destination is usually giving an impression to the readers online depending on the representation by the data sources. Hence, it is common that sometimes the reality can be different than what is experienced at the destination.

As for the friends and relatives' recommendations, among these travellers most of them came from other islands, for instance, Thailand or the Philippines. This is supported by the respondent from Tourism Terengganu (R2) from the qualitative interviews, who said that the travellers recommended Perhentian Island as their next destination due to the short journey from the first island they had visited. As quoted from R2, *"usually these tourists that travelled from Thailand or the Philippines received information about the destination from tourists who had just got back from Perhentian Island. They share their*

experiences with others, like Tripadvisor. They can just go from Kota Bahru to Kuala Besut jetty to come to the island’.

Table 7.4 - Travel-decision process

	Domestic Tourists N= 124	International Tourists N= 89
	Average (1-5 scale)	
Sources to obtain information about Perhentian Island		
Internet in general	4.5	4.3
Friends and relatives’ recommendations	4.2	4.3
Advertisements (magazines, television, leaflets)	3.8	3.3
Guidebooks	3.5	3.8
Travel agencies/ airline/ hotel website	3.9	3.7
Tourist information centre	3.8	3.7
Embassy, consulate	3.3	2.4
Social web (Blogs, Facebook, etc.)	4.2	3.5
Web-communities (TripAdvisor)	4.0	3.6
Percentage (%)		
Return intention		
Very unlikely	4.8	11.2
Somewhat unlikely	4.8	29.2
Neutral	24.2	21.3
Somewhat likely	36.3	27.0
Very likely	29.8	11.2
Recommend to family and friends		
Very unlikely	4.8	1.1
Somewhat unlikely	1.6	2.2
Neutral	16.1	9.0
Somewhat likely	42.7	40.4
Very likely	34.7	47.2

Source: Author’s fieldwork

As shown in Table 7.4, the tourists were also required to answer questions regarding tourist loyalty, which consists of the return intention and the recommendation of Perhentian Island. For domestic tourists, 65% were somewhat likely or very likely to return, compared to 38% of international tourists.

In terms of the likelihood of recommending, 77% of domestic tourists were somewhat likely or very likely to recommend visiting Perhentian Island, compared to 88% of international tourists. This is similar to a study on São Miguel Island, where the data obtained showed that a considerable percentage of tourists intended to return and/or recommend the destination (Melo, Moniz, Silva, & da Graça Batista, 2017). As stated by Idrus et al. (2012), the influence on tourist loyalty is contributed to by the effect of the overall tourist experience and image. This finding was supported by the current study's results, which showed that the international tourists of a similar research setting (Idrus et al., 2012).

7.3 UNDERLYING ASSUMPTIONS FOR THE NON-PARAMETRIC ANALYSIS

In this section, the results from the inferential analysis are presented in the form of a non-parametric analysis. The characteristics of tourists, as previously discussed, were analysed as to the relationship with the two main variables of the island's destination competitiveness, which are quality of tourism experience and TDI. Referring to the questionnaire (**Appendix 4**), there 2 different categorical dimensions were measured continuously. They are the 'age' and 'number of overnights'. The age dimension was categorised into 6 continuous groups while the number of nights was answered continuously up to 365 nights on the island. Accordingly, the extensive number of respondents' continuous scores for age and number of nights were reduced into 3 different groups of low, medium and high scores. The reason for this reduction was important in providing a comprehensive and manageable analysis as the study aimed to identify any potential differences or relationships from the context of low, medium and high scoring respondents (Pallant, 2016). This notion can be observed in the subsequent post-hoc tests and effect size that were conducted for both the Kruskal-Wallis and Mann-Whitney U analyses in order to distinguish groups that were statistically significant from one another (Pallant, 2016).

For the post-hoc tests of Kruskal-Wallis, Bonferroni adjustments were employed to the alpha values and a follow-up Mann-Whitney U test was conducted in order to obtain the values of effect size (Field, 2009; Pallant, 2016). This meant that for the Mann-Whitney U test on the other 9 nominal scales of tourist characteristics,

the process was rather straightforward as Kruskal-Wallis involves the prior additional process in the shape of Bonferroni adjustments. Essentially, the Bonferroni adjustment involves the adjustment of the significance values by the use of an alpha level of .05 divided by the number of tests (Pallant, 2016). It is important to bear in mind that the number of tests were directly related to the number of groups identified by the researcher. Therefore, the selection of the 3 groups as the maximum number for subsequent post-hoc analysis was considered appropriate due to the lesser comparison between them. For instance, the 3 reduced different groups involved at least 3 different comparisons between; (1) high and medium scores, (2) high and low scores and (3) medium and low scores. Consequently, this resulted in a rather stricter, albeit manageable alpha value of $.05/3 = 0.017$. For this reason, it was important to control the number of groups that needed to be analysed in the Kruskal-Wallis test as a higher number would mean a stricter significance level. Based on this premise, Table 7.5 shows the new reduced 2 and 3 groups for the selected continuous categorical dimensions.

Table 7.5 - Reduced groups of dimensions of tourist characteristics

Dimension	Original categories	N	Reduced categories	N
Age	• 18-21	63	• Below 34 • 35 and above	175 38
	• 25-34	112		
	• 35-44	20		
	• 45-54	10		
	• 55-64	7		
	• Over 65	1		
Number of overnights	• 1 to 365 days	213	• 2 nights	103
			• 3 nights	51
			• 4 nights and above	59

Source: Author

Subsequently, the 2 new reduced groups and remaining 9 continuous and categorical dimensions are examined using Mann-Whitney U and Kruskal-Wallis tests. The following sub-sections present the significance result of the tests obtained.

7.3.1 EXAMINATIONS OF THE RELATIONSHIPS BETWEEN THREE OR MORE CATEGORICAL GROUPS AND THE QUALITY OF TOURISM EXPERIENCE AND TOURISM DESTINATION IMAGE

Before proceeding with the result from the Kruskal-Wallis test, the Mann-Whitney U test was first conducted to identify the relationships and differences between one categorical variable with not more than two groups and one continuous variable (Pallant, 2016). From all the 11 dimensions of characteristics, only 4 dimensions were measured in two groups' categorical scales, which were gender, age, first visit and stay overnight. However, there were no significant relationships and differences from the Mann-Whitney U test on quality of tourism experience and TDI for domestic and international tourists (**Sub-Appendix 7.1**).

In contrast, the Kruskal-Wallis test was also conducted to investigate the relationships and differences between categorical variables with three or more groups and one continuous variable (Pallant, 2016). It was identified that there were 7 different dimensions of tourist characteristics with three or more groups of categorical variables. Table 7.6 represents the key results of the dimensions with statistically significant relationships with the quality of tourism experience and TDI variables. The full summarisation of the result is presented in **Sub-Appendix 7.2**.

Table 7.6 - Statistically significant results of Kruskal-Wallis test of TDI and quality of tourism experience on tourist characteristics

Output	N	Mean Rank	Chi-Square	df.	Asymp. Sig.
Quality of Tourism Experience (Domestic Tourist)					
Number of overnights	124		9.58	2	0.01**
• 2 nights	77	70.27			
• 3 nights	37	50.58			
• 4 nights and above	10	46.80			
Tourism Destination Image (International Tourists)					
Education Level	89		17.83	5	0.03*
• No Formal Education	9	67.89			
• High School	11	26.55			
• Short Courses	3	41.67			
• Diploma	13	39.58			
• Degree	34	51.91			
• Master	19	36.71			
Employment	89		17.30	5	0.00***
• Employed	41	36.26			
• Self-employed	9	50.94			
• Unemployed	7	27.36			
• Retired	5	62.20			
• Student	24	57.79			
• Other	3	56.83			

Source: Author. Note: Confidence Interval, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Based on Table 7.6, for the quality of the tourism experience variable only one dimension of the number of overnights on Perhentian Island showed a statistically significant difference and relationship for the domestic tourists. In addition, there are two dimensions of education level and employment status, indicating statistically significant differences and relationships with TDI for international tourists. Referring to the mean ranking of the number of nights, it is evident that domestic tourists have a higher preference for a two-night stay followed by a three-night stay, which is associated with their quality of tourism experience. As for the education level, the highest mean ranking of 'no formal education' from international tourists exhibits a positive effect on the destination image followed by the degree holders. However, for the employment status, the retired

international tourists perceived a destination's image positively with the highest mean ranking.

With the results of the Kruskal-Wallis test, it is appropriate that a post-hoc analysis in the form of the Bonferroni adjustment and effect size was undertaken. It was conducted to identify groups that were statistically significant different from one another and their effect sizes. Essentially, measuring an approximate value of r was obtained by the value of z that was reported in the output (Pallant, 2016). Then the r value was interpreted using the Cohen's (1988) criteria of .1=small effect, .3=medium effect and .5=large effect. The Bonferroni adjustment required 3 different groups with the alpha values of .05 needing to be divided among the groups in order to obtain a new revised alpha value of .017. Therefore, the 2 dimensions with more than 3 groups were chosen based on the highest and lowest mean ranking as well as the most frequent number of respondents' choices. Table 7.7 exhibits the results of the Mann-Whitney U tests and effect sizes on the number of overnights as the first significant dimension.

Table 7.7 - Results of Mann-Whitney U tests and effect sizes of the number of overnights

Output	N	Mann				Effect Size		
		Mean Rank	Mann-Whitney U	z	Asym p. Sig.	Median	Calculation	r value
First Paired Comparison (First and Second Group)								
Number of overnights	114		977.50	-2.71	.007*		-2.71/ square root of 114	.3
• 2 nights	77	63.31				1.00		
• 3 nights	37	45.42				1.00		
Second Paired Comparison (First and Third Group)								
Number of overnights	87		234.00	-2.01	.04	-	-	-
• 2 nights	77	45.96						
• 4 nights and above	10	28.90						
Third Paired Comparison (Second and Third Group)								
Number of overnights	47		179.00	-0.16	.88	-	-	-
• 3 nights	37	24.16						
• 4 nights and above	10	23.40						

Source: Author. Note: Confidence interval for revised alpha value = *.017

According to the results of the three paired comparisons of groups, only the first paired comparison shows a statically significant difference with a revised alpha value of .017. This demonstrates that the domestic tourists that stayed on the island for two nights (Mdn.=1.00) had a better quality tourism experience as compared to the tourists who stayed for three nights (Mdn.=1.00) with a medium effect size, $r=.3$, $U=977.50$, $z=-2.71$, $p<0.01$.

Consequently, the second significant dimension of the education level was established with the Mann-Whitney U tests. The results in Table 7.8 show that there are two groups that were statistically significant, which were the first and third paired comparison with the alpha values of .001 and .003 respectively. The first paired comparison illustrates that the international tourists with no formal education (Mdn.=5.00) perceived the destination's image more positively compared to high school leavers (Mdn.=1.00), $r=.7$, $U=6.50$, $z=-3.28$, $p<0.01$. Similar to the third paired comparison, the international tourists that were degree holders (Mdn.=2.00) perceived highly of the destination image compared to the high school graduates (Mdn.=1.00), $r=.5$, $U=73.00$, $z=-3.02$, $p<0.01$. As for the third significant dimension, there were no significant relationships and differences from the Mann-Whitney U test and effect size on TDI for the employment status of the international tourists (**Sub-Appendix 7.2**).

Table 7.8 - Results of Mann-Whitney U tests and effect sizes of education level

Output	N	Mann				Effect Size		
		Mean Rank	Mann-Whitney U	z	Asymp. Sig.	Median	Calculation	r value
First Paired Comparison (First and Second Group)								
Education Level	20		6.50	-3.28	.001*		-3.28/ square root of 20	.7
• No Formal Education	9	15.28				5.00		
• High School	11	6.59				1.00		
Second Paired Comparison (First and Third Group)								
Education Level	43		91.00	-1.86	.06	-	-	-
• No Formal Education	9	28.89						
• Degree	34	20.18						
Third Paired Comparison (Second and Third Group)								
Education Level	45		73.00	-3.02	.003*		-3.02/ square root of 45	.5
• High School	11	12.64				1.00		
• Degree	34	26.35				2.00		

Source: Author. Note: Confidence interval for revised alpha value = *.017

7.4 SUMMARY

The analysis presented in the chapter gives some key evidence towards understanding the visitor demographic and travel profile of tourists on Perhentian Island. This may allow the destination management to identify factors to attract and retain their current and potential tourists. The results show that the largest group of the visitors originating from Malaysia were female and single and within the age group of 25-34 years old. These respondents had a university education at degree level and mainly were employed. With regard to travel profile, the findings demonstrate that most domestic and international tourists were first-time travellers to Perhentian Island. However, the repeat travellers had an average number of previous visits to Perhentian Island every few years. Almost all of the tourists stayed overnight on the island with an average stay of two nights for domestic tourists and ten nights for international tourists, which was mainly in a resort or chalet. Friends were the most common companion. Finally, the internet

was the main source of general information on the island, the accommodation and booking. In terms of tourist loyalty, the domestic tourists had a higher percentage of somewhat likely or very likely to return to the island compared to international tourists. In contrast, the international tourists had a higher likelihood of recommending visiting Perhentian Island to family and friends compared to domestic tourists.

The data obtained on tourists visiting Perhentian Island demonstrates a pattern that some of the characteristics remain similar to previous studies such as the majority of young adults travelling with a group of friends that enjoy a weekend getaway at the island. As the destination attracts the same pattern of tourists, it is vital for its destination management to consider new markets for the purpose of maintaining the destination's competitive position long term. This has definitely been taken into account with efforts made to reposition Perhentian Island as an ecotourism destination. As discussed previously in the semi-structured interviews, with the tourism government agencies, this new planning for the island is a leverage for the destination to achieve destination competitiveness.

At the same time, tourism caters to the constantly changing desires of tourists. This is particularly shown in considering the results of the non-parametric analysis that shows statistically significant differences and relationships for the quality of tourism experience in relation to the number of overnights on Perhentian Island for the domestic tourists (Table 7.9). This is in line with s who reported that tourists with short trips have a better perception of the destination and its overall experience compared to longer trips of more than 4 days. It could be that tourists who stay longer have more exposure socially and have a higher opinion of the destination's infrastructure, food and people (Fakeye & Crompton, 1991). As noted by Mishler (1965), the longer exposure to a destination leads to a more complex and differentiated image (as cited in Fakeye & Crompton, 1991). Nonetheless, the perception of the experience of either short or long stays can be influenced by the types of activities and attractions offered at the destination (Mussalam & Tajeddini, 2016). The attractiveness aspects of a destination can be attributed by the length of stay.

Table 7.9 - Summarisation of the statistically significant results between the characteristics of tourists and the quality of tourism experience and tourism destination image

Output	Mean Rank	Median	r Value	Effect Size
Quality of Tourism Experience (Domestic Tourists)				
Number of overnights			.3*	Medium*
• 2 nights	63.31	1.00		
• 3 nights	45.42	1.00		
Tourism Destination Image (International Tourists)				
Education Level			.7*	Large*
• No Formal Education	15.28	5.00		
• High School	6.59	1.00		
Education Level			.5*	Large*
• High School	12.64	1.00		
• Degree	26.35	2.00		

Source: Author

Statistically significant relationships and differences are shown for TDI on education level for international tourists. It is noted that tourists with three education levels, namely, 'no formal education', 'high school' and 'degree', perceived TDI strongly. Likewise, other studies identified the differences in destination image that varied with the level of education (Baloglu & McCleary, 1999; Tran, 2013). However, there are studies that have reported that there were no statistically significant differences between education level and the image destination (Baloglu, 1997; Rafael & Almeida, 2017). As reported by Shanka and Phau (2008), tourists with a higher education level, such as undergraduates, perceived a destination through emotional values such as experiencing new and different places instead of the image of the destination. Despite that, demographic variables such as education level should not be considered as not important. The Perhentian Island tourism stakeholders need to recognize the importance of tourist characteristics and identify strategies that suit their target market.

Overall, this chapter creates a platform to understand the characteristics of the tourists visiting Perhentian Island. Simultaneously, a substantial opportunity

exists for an extension to further identify other variables of the proposed island destination competitiveness framework, which consists of quality of tourism experience, TDI, TDC and tourist loyalty by cooperating with the tourist characteristics as the key dimensions. The analysis of this will be presented in the following chapter.

CHAPTER 8

DESTINATION COMPETITIVENESS FRAMEWORK AND FACTORS

8.1 INTRODUCTION

The descriptive results of the tourist demographics and travel profiles discussed in the previous chapter give some understanding of the tourists visiting Perhentian Island. This chapter extends the analysis of the survey questionnaire to aid in the further development of a model for Tourism Destination Competitiveness (TDC). Therefore, the purpose of this chapter is to present the descriptive and inferential analysis of quality of tourism experience, tourism destination image (TDI) and tourist loyalty on TDC.

This chapter is structured around different stages of the analysis in order to examine the objectives, as shown in Figure 8.1. The first stage of TDC addresses the third objective to establish the competitors and a set of factors that determine tourism competitiveness, particularly for Perhentian Island. It provides important insights into the island's TDC elements from the tourists' perspective, establishing an understanding grounded in demand and the choices for the island destination. In this vein, a frequency analysis was conducted to identify the preferences of the respondents as to other destinations they considered visiting and factors that are vital in the competitiveness of Perhentian Island.

Before proceeding to the next stage of analysis, a reliability test was conducted to measure the internal consistency of the scale used in this study. The results of the test were necessary for the following stages that required the use of inferential statistical procedures consisting of two categorizations: parametric and non-parametric.

As illustrated in Figure 8.1 and Figure 8.2, the following stage consisted of three phases to fulfil the fourth objective of the study, which examined the framework of island competitiveness concepts that relate to the quality of tourism experience, TDI and tourist loyalty. It began with identifying the relationship between quality of tourism experience and TDI as an important predictor for TDC. For this stage, parametric statistical analysis was chosen. The relationship of

these variables was analysed using hierarchical linear and multiple regression analysis.

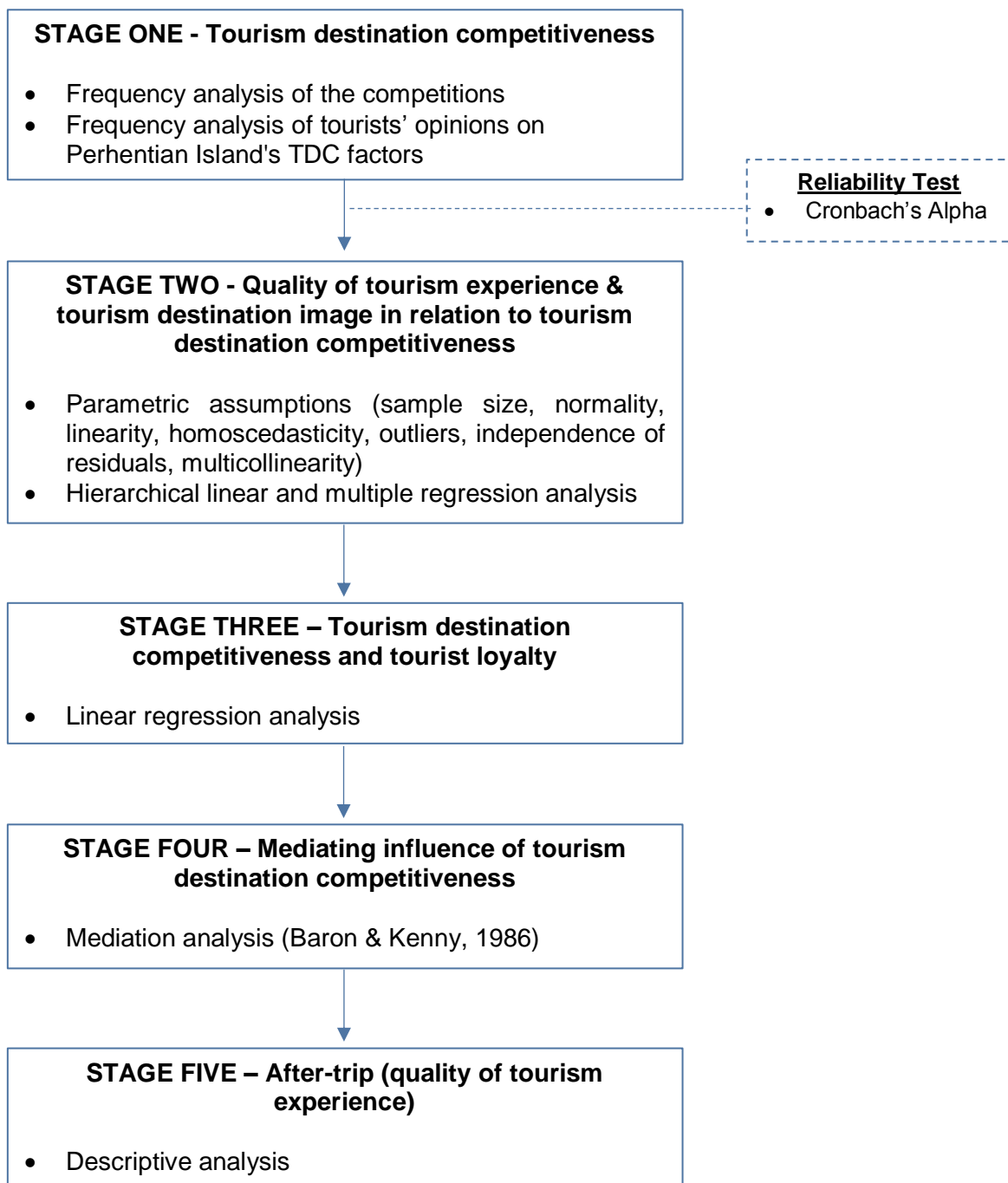


Figure 8.1 - Stages of analysis

Source: Author

The third stage of the analysis focuses on the subsequent variable for the TDC framework, which is tourist loyalty. Through linear regression analysis it was proven that the behaviour of the tourists visiting, whether to revisit the destination

or recommend to family and friends, depended on their judgement of the destination's competitiveness. Taken together, the fourth stage of the analysis then provided an assessment of the competitiveness framework for Perhentian Island. Mediation analysis was then conducted examining the mediating influence of TDC on selected variables, either based on the analysis in this study or from previous literature.

The final stage of analysis, the after-trip phase of the quality of tourism experience was examined separately from the other phases using descriptive analysis. This was mainly due to the smaller sample size of respondents obtained from the follow-up web survey. The detailed discussion on the assumptions is presented in **Appendix 8**.

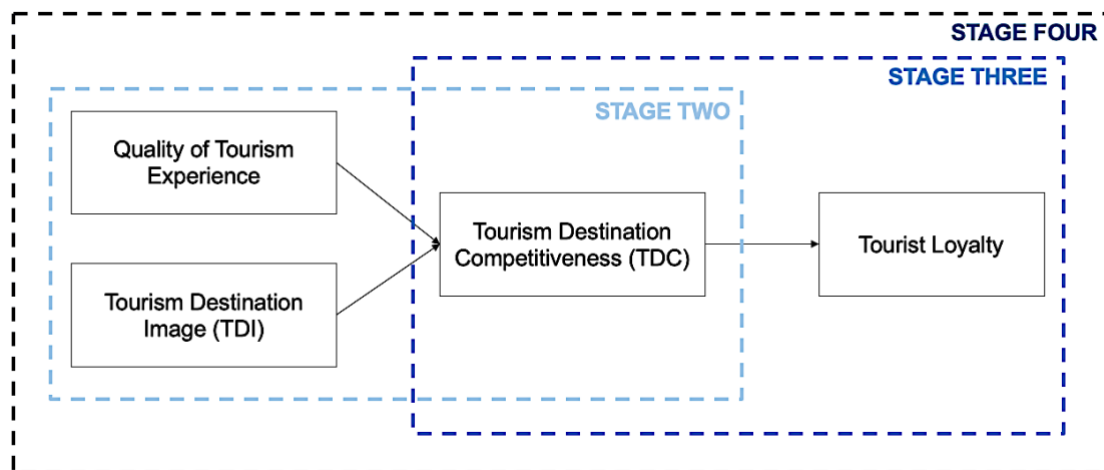


Figure 8.2 - Analysis framework

Source: Author

8.2 MEASURES OF TOURISM DESTINATION COMPETITIVENESS

8.2.1 PERHENTIAN ISLAND COMPETITOR DESTINATIONS

In measuring TDC, it is important that the study also considered competitor destinations to Perhentian Island. This is essential for marketing purposes, as discussed in Chapter 6, where it may influence destination benchmarking. Hence, the tourist respondents were asked to state other islands they considered visiting besides Perhentian Island. This question investigated competition within both international and local settings. Even though flexibility was given to the respondents, the findings show that most islands considered are all located in Malaysia (Figure 8.3). In order, the most preferred islands are (1) Redang Island (2) Langkawi Island and (3) Tioman Island. The findings from the tourists is slightly different in terms of ranking the leading competitor destinations compared to the tourism stakeholders' opinion. As mentioned in Section 6.3.1, the biggest competitor of Perhentian Island according to the stakeholders is Tioman Island followed by Langkawi Island and other islands such as Redang and Pangkor Island.

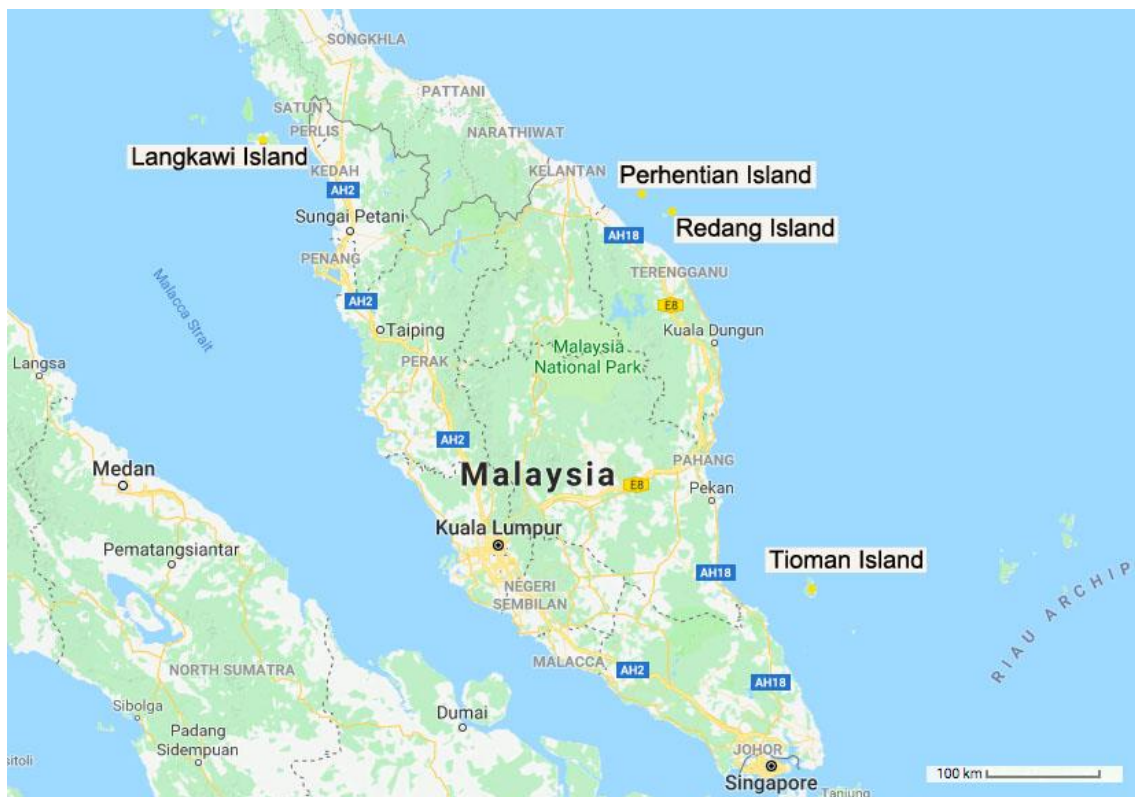


Figure 8.3 - Locations of competing islands

Source: Google Map (2018)

According to Jabil et al. (2015), island tourism in Malaysia began as the Third Malaysia Plan (1976 - 1980) introduced developments for tourism in the archipelago on the east coast of Peninsular Malaysia, which includes Perhentian and Pangkor Island. Funds were allocated to promote these destinations in an effort to divert tourists from Kuala Lumpur and Penang. The Fifth Malaysia Plan (1986 - 1990) then implemented an island tourism development strategy on Langkawi and Tioman Island. Since then, these islands have gained general infrastructure support relating to the tourism sector and have attracted a substantial number of tourist arrivals. The outcome of this investment is noticeable as these islands are among the most popular islands to visit in Malaysia.

It could be assumed that Redang Island is the most competitive destination in the perception of tourists due to the short distance between Perhentian and Redang Island. For that reason, the tourism stakeholders did not emphasise Redang Island as competition rather just a neighbouring island. However, it is vital that the stakeholders recognize Redang Island as competition as the statistics show that in 2016 the tourist arrivals to Redang were 329,844, which is 65% more than it was at Perhentian Island (180,569) (Tourism Terengganu, 2017a). Apart from that, Redang Island was considered to be more equipped with general infrastructure for tourism purposes. This can be seen through the boats and ferries provided for the island daily. Tourism stakeholders may consider repositioning their perception of the ranking of competitors to accommodate the tourists' options and preferences.

8.2.2 KEY DETERMINANTS OF RELATIVE COMPETITIVENESS

The main objective of this phase was to identify the important determinants of tourism attributes relative to competitiveness for Perhentian Island. These factors are vital to recognising the elements that not only attract tourists but also enhance destination competitiveness. In this section, the competitiveness measures are assessed from the perspectives of tourists and stakeholders. The set of factors will indicate the comparison among the two groups of respondents.

The importance of the TDC attributes is measured using Likert scale ratings (LSR). Based on Table 8.1, the findings on tourism related factors that determine Perhentian Island's competitiveness according to the tourists is presented in descending order from the most important to least. The top three rankings in the list are 'Sun, sea and beaches', 'Panoramic sea views' and 'Visual appeal'. While the bottom three positions are the 'Music, concerts and performances', 'Nightlife, bars and restaurants' and 'Shopping opportunities'. The preferences show a general stability between both domestic and international tourists.

Table 8.1 - Tourism factors ranked by tourists

Rank	Tourism Factors	Mean	SD	SE	M +1se	M - 1se
1	Sun, sea and beaches	4.45	0.74	0.05	4.50	4.40
2	Panoramic sea views	4.43	0.72	0.05	4.48	4.38
3	Visual appeal	4.41	0.72	0.05	4.46	4.36
4	Climate/weather	4.39	0.77	0.05	4.44	4.34
5	Relaxation/ care free opportunities	4.35	0.78	0.05	4.40	4.30
6	Cleanliness	4.35	0.84	0.06	4.41	4.29
7	Island charm/ exoticness	4.29	0.74	0.05	4.34	4.24
8	Hospitality	4.18	0.88	0.06	4.24	4.12
9	Water activities	4.06	0.92	0.06	4.12	4.00
10	Diving	3.83	1.15	0.08	3.91	3.75
11	Outdoor activities	3.81	0.94	0.06	3.87	3.75
12	Quantity and quality of public infrastructure	3.81	0.94	0.06	3.87	3.75
13	Concentration of tourism attractions	3.65	1.03	0.07	3.72	3.58
14	Village core/ quaint villages	3.64	1.05	0.07	3.71	3.57
15	Culture and history	3.59	1.09	0.07	3.66	3.52
16	Accommodation mix	3.58	1.06	0.07	3.65	3.51
17	Mix of tourism	3.46	1.18	0.08	3.54	3.38
18	Special events/ festivals	3.26	1.13	0.07	3.33	3.19
19	Music, concerts and performances	3.20	1.18	0.08	3.28	3.12
20	Nightlife, bars and restaurants	3.16	1.22	0.08	3.24	3.08
21	Shopping opportunities	2.77	1.32	0.09	2.86	2.68

Source: Author

Moreover, Table 8.1 also presents the standard deviation (SD), the standard error (SE) at 95% confidence level and the mean +/-1 SE for each factor to ensure no differences occurred in the rankings due to sampling error. The highest mean

score is 4.45 (Sun, sea and beaches) and the lowest is 2.77 (Shopping opportunities), which shows a spread of 1.68 units. This demonstrates the moderate discrimination among attributes developed by the tourists' respondents. In regard to the standard error, it constitutes the lowest range of ± 0.05 to a high of ± 0.09 . This may have resulted in alteration of the rank order, however, it remained unchanged. Owing to this, the validity of the analysis and results is verified. In fact, the important scores are higher than the neutral score of 3 even after calculating it with the sampling error (by ± 1 SE to the mean). This indicates that the respondents' opinions were consistent with the framework, confirming the validity of the analysis.

A similar approach was used to measure the importance of tourism related factors determining Perhentian's competitiveness as an island destination perceived by the tourism stakeholders. Due to only six respondents completing this section, the results need to be treated with caution. The results were further discussed in **Appendix 8** (see particularly **Sub-Appendices 8.1**). Nonetheless, the top three ranked tourism factors by mean size in descending order were 'Quantity and quality of public infrastructure', 'Diving' and 'Hospitality' with the bottom three positions being 'Nightlife, bars and restaurants', 'Music, concerts and performances' and 'Shopping opportunities'.

These findings show that there were differences in the opinions on tourism-specific factors that tourists consider important compared to the tourism stakeholders. Perhentian Island is evidently an island destination that attracts tourists for the 'sun, sea and beaches', as chosen by the tourists. This obvious element is not considered as the highlight from a stakeholder's point of view. However, it is understandable that the stakeholders emphasise the 'quantity and quality of public infrastructure' to provide better services for the tourists as service providers. This discussion by the stakeholders is reported in Section 5.4.2. As for the least important factors, 'shopping opportunities' was selected by the tourist respondents, which was comparable with the view of tourism stakeholders.

8.3 RELIABILITY TESTS

Reliability tests were undertaken before proceeding to the other stages of analysis to ensure that the items were measured consistently with their variables. As stated by Sekaran and Bougie (2010), the main purpose of the test was to assure the stability and internal consistency of each of the variables. Therefore, reliability testing indicates the instruments are reliable when all the items in a variable are found to be correlated with each other. In order to indicate the reliability for each of the variable and factor, the understanding of the results was based on the reading of Cronbach's Alpha, which is also known as coefficient alpha (Taber, 2018). The reading of Cronbach's Alpha ranges from 0 to 1, which reveals a higher reliability of a scale from a higher value and lower reliability of a scale from a lower value.

Fundamentally, the option on the rule of thumb is considered to be more accurate on reading the Cronbach's Alpha (Pallant, 2016; Hair, Money, Samouel & Page, 2007; Hinton, Brownlow, McMurray & Cozens, 2004; Sekaran & Bougie, 2010). Most scholars agree on the consideration of the minimum lower limit of an alpha of 0.7 and have categorise the scale below 0.6 as poor (Pallant 2016; Hair et al., 2007; Sekaran & Bougie, 2010). Nevertheless, Hair et al. (2007) also argue that coefficients lower than 0.6 may be acceptable. This is in line with the assertion of Hinton et al. (2004), where the coefficient ranging from 0.5 to 0.7 is accepted and can be considered as moderately reliable (refer Table 8.2). Taking this into account, the minimum coefficient range of Cronbach's Alpha was set at 0.50 to fulfil the requirement of the reliability test, which is also considered appropriate to the nature of this study and the importance of each relevant variable.

Table 8.2 - Rule of thumb about Cronbach Alpha size

Alpha Coefficient Range	Strength of Association
<.5	Poor
.5 to <.7	Moderate
.7 to <.9	High
≥.9	Excellent

Source: Hinton et al. (2004)

The following table illustrates the Cronbach's Alpha coefficient for the variables of the study consisting of quality of tourism experience, TDI, TDC and tourist loyalty.

Based on Table 8.3, it can be summarised that the range of Cronbach's Alpha coefficient with scales from .62 to .90 for all the variables (quality of tourism experience, TDI, TDC and tourist loyalty) were found to be reliable. Interestingly, the dimensions for quality of tourism experience (pre-trip planning phase, en-route phase, destination on-site phase), TDI and TDC were found to have a high alpha coefficient ranging from .79 to .90. In contrast, the alpha coefficient value for dimension of tourist loyalty was found to be relatively low compared to other dimensions with a moderate reading of .62. Nonetheless, the overall coefficient values for all dimensions were above the minimum range of .50. Hence, the results are still acceptable and reliable.

Table 8.3 - Cronbach's Alpha coefficient study variables

Variable	Number of Scale Item (s)	Cronbach's Alpha Coefficient, α
Quality of Tourism Experience	25	.90
• Pre-trip Planning Phase	6	.63
• En-route Phase	6	.79
• Destination On-site Phase	13	.86
Tourism Destination Image	7	.79
Tourism Destination Competitiveness	22	.89
Tourist Loyalty	2	.62
N	213	

Source: Author

In terms of validity, the questions applied in the context of Perhentian Island were sourced from past literature on quality of tourism experience, TDI, tourist loyalty and TDC. It can therefore be postulated that the current work achieved the content validity given that all the questions used are based on scales previously tested empirically for validity, reliability and analysis.

8.4 UNDERLYING ASSUMPTIONS FOR THE PARAMETRIC STATISTICAL ANALYSIS

This section sets out to present a proposed destination competitiveness framework grounded in variables that connect to competitiveness. The framework serves to reveal the dynamic complexity of destination competitiveness. As mentioned previously in the introduction (see Figure 8.1), this phase of data analysis was the parametric analysis, which aimed at identifying the influences of quality of tourism experience and TDI on TDC.

The relationship between the variables of quality of tourism experience and TDI and TDC were identified through hierarchical linear and multiple regression analysis. In order to ensure the accuracy of the results of the multiple regression analysis, assumptions of sample size, multicollinearity, outliers, normality, linearity, homoscedasticity and independence of residuals had to be satisfied (Pallant, 2016, p. 285). For more details see **Appendix 8 (Sub-Appendices 8.3, 8.4, 8.5)**. The next section presents results and interpretations of the hierarchical multiple regression analysis.

8.5 HIERARCHICAL MULTIPLE REGRESSION ANALYSIS

The second stage of the analysis was to identify the hierarchical multiple regression analysis with independent variables of quality of tourism experience and TDI on TDC. Control variables were included to ensure there were no potential influences from other external variables especially attributable to the number of regression model estimations from both analyses. There were six control variables selected from the tourist characteristic dimensions, which consisted of gender, age group, marital status, education level, employment status and travel companion to the island. Prior to this, all of the control variables were recoded into several dummy variables in order to represent their groups for use in the regression analysis since they were measured in categorical scales (Sekaran & Bougie, 2010). Further details on this process are covered in **Sub-Appendix 8.6**.

Through the inclusion of these selected control variables in the regression equations, their influences on the dependent variables could be controlled for in

the hierarchical multiple regression given that they were not part of the main analyses (Field, 2009; Pallant, 2016). The overall variance explained by each of the independent variables (quality of tourism experience and TDI) with TDC as the dependent variable was determined through the changes in the value of R^2 after the effects of the control variables were eliminated. In line with Field (2009), as part of the assessment in determining the goodness-of-fit of the regression model and identification of change in R^2 significant condition, the change in R^2 as measured by the F ratio change for both of the groups of analysis was included. In regard to the three dimensions for quality of tourism experience (Pre-trip Planning, En-route and Destination On-site Phase), the standardised factor score (beta coefficients, β) and the significant determinants were also analysed. Basically, the unique contribution or relative importance of each independent variable of interest to the final equation was identified through the standardized factor score or beta coefficients (Pallant, 2016).

Next, the TDC variable was tested as an independent variable on a linear regression analysis with tourist loyalty. The final phase of this analysis involved further analysis of the variable of TDC on the potential mediating effect on the relationship of the quality of tourism experience, TDI and tourist loyalty. After the completion of the model estimations for every analysis that was conducted, the assumptions of normality, homoscedasticity, linearity, multicollinearity, independence of residuals and outliers for every relationship were examined and reported in **Appendix 8.7** (see particularly **Sub-Appendices 8.7.1 to 8.7.2**). These preliminary analyses were conducted to ensure there were no violations in the assumptions.

8.5.1 QUALITY OF TOURISM EXPERIENCE, TOURISM DESTINATION IMAGE AND TOURISM DESTINATION COMPETITIVENESS

The second stage of the analysis was conducted using hierarchical linear and multiple regression analysis to determine the influence of quality of tourism experience and TDI on TDC. The equation for overall relationship is expressed in the following equation:

$$Y_s = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8 + \varepsilon$$

Where,

Y_s = Tourists' overall level of perceived destination competitiveness

β_0 = Constant (coefficient of intercept)

X_1 = Gender

X_2 = Age

X_3 = Marital status

X_4 = Level of education

X_5 = Employment status

X_6 = Travel companion

X_7 = Quality of tourism experience

X_8 = Tourism destination image

β_1, \dots, β_8 = regression coefficient of Factor 1 to Factor 8

The results in Table 8.4 show the control variables (gender, age, marital status, education level, employment status and travel companion to the island) presented in Model 1 and 2. Based on the beta result for the control variables, it shows that TDC reduces 5% with the increase of a co-worker as a travel companion to Perhentian Island (beta=-.195, $p < 0.001$). This indicates that travellers travelling with co-workers may not find the destination competitive as their reason for visiting the island would probably be for business not leisure. As such, their time would likely be consumed less by water activities such as snorkelling and diving, which are considered to be some of the main attractions on the island.

The entry of quality of tourism experience and TDI were included in Model 2, which shows that the total variance by the model as a whole was 49.4%

($R^2=.494$), $F(21,182) = 8.47$, $p < 0.001$. The two variables explained an additional 39.7% (R^2 change = .397), F change (2,182) = 71.42, $p < 0.001$, after controlling the variables. In the final model (Model 2), the two variables were found to be statistically significant, with TDI recording a higher beta value (beta = .426, $p < 0.001$) than the quality of tourism experience (beta = .331, $p < 0.001$). Interestingly, when considered separately the quality of tourism experience can be divided into three travel phases, the on-site phase displayed a higher beta compared to TDI (beta = .448, $p < 0.001$). This indicates the importance of on-site experience as the most significant influence of the tourist experience (Aho, 2001). It also defines the upcoming phases of the experience based on the perception of the on-site experience. The assessment of a tourist's on-site experience also performs as the antecedent of satisfaction with the destination (Castro, Armario, & Ruiz, 2007).

In addition, the interpretation of change in coefficient shows that for 10%, the rise of TDI and quality of tourism experience led to a 4.33% and 3.54% rise in TDC respectively. The result shows that TDI has a higher effect on the overall destination competitiveness compared to the quality of tourism experience. Despite both variables being able to exert a positive influence on competitiveness, the image of the destination is the key component in the process of positioning strategy for marketing purposes (Calantone, Di Benetto, Hakam & Bojanic, 1989). This is important to highlight the case of Perhentian Island, as the tourism stakeholders' plan on repositioning the destination as a premier ecotourism destination can place emphasis on the representation of the destination's image for their marketing strategy. The distinctive and appealing features of the island can be prioritized as the main positioning strategy by reinforcing positive images through "the target audience, correct negative images, or create a new image" (Pike & Ryan, 2004, p. 334).

Table 8.4 - Hierarchical linear and multiple regression analysis for quality of tourism experience, TDI and TDC

Independent Variable	Model 1 (Regression Coefficient, β)	Model 2 (Regression Coefficient, β)
Gender		
• Male (1, yes; 0, no)	.084	.096
Age		
• 35 and above (1, yes; 0, no)	-.011	-.034
Marital Status		
• Married/ Living Together (1, yes; 0, no)	.065	.046
• Divorced (1, yes; 0, no)	-.024	.007
• Widowed (1, yes; 0, no)	.044	.001
Level of Education		
• No Formal Education (1, yes; 0, no)	.083	.071
• High School (1, yes; 0, no)	-.017	-.021
• Short Courses (1, yes; 0, no)	-.068	-.068
• Diploma (1, yes; 0, no)	.031	.067
• Master (1, yes; 0, no)	-.082	-.064
Employment Status		
• Self-employed (1, yes; 0, no)	-.056	-.073
• Unemployed (1, yes; 0, no)	-.176	-.042
• Retired (1, yes; 0, no)	-.040	-.033
• Student (1, yes; 0, no)	-.007	-.016
• Other (1, yes; 0, no)	-.002	.018
Travel companion		
• No one (1, yes; 0, no)	-.022	.050
• Partner (1, yes; 0, no)	.026	-.026
• Family or relatives (1, yes; 0, no)	.139	.069
• Co-workers (1, yes; 0, no)	-.146*	-.195***
Quality of Tourism Experience		.331***
• Pre-trip Planning		.036
• En-route		.197*
• Destination On-site		.448***
Tourism Destination Image		.426***
R ²	.098	.494***
R ² change		.397***
F	(19, 184) = 1.05	(21, 182) = 8.47***
F change		(2, 182) = 71.42***
N	204	

Source: Author. Note: Confidence Interval, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

In terms of the assumptions, the precision of this result is strengthened by the normality of the data and the fulfilment of the required assumptions of multicollinearity, homoscedasticity, linearity, outliers and independence of

residuals (**Sub-Appendix 8.7.1**). Moreover, the R^2 value in predicting tourism destination competitiveness ($R^2=49.4$) is considered as reasonable by Pallant (2016).

8.5.2 TOURISM DESTINATION COMPETITIVENESS AND TOURIST LOYALTY

The third stage of the analysis (see Figure 8.1) examined the influence of TDC on tourist loyalty. The equation for overall relationship is expressed in the following equation:

$$Y_s = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \varepsilon$$

Where,

Y_s = Tourists' overall level of tourist loyalty

β_0 = Constant (coefficient of intercept)

X_1 = Gender

X_2 = Age

X_3 = Marital status

X_4 = Level of education

X_5 = Employment status

X_6 = Travel companion

X_7 = Tourism Destination Competitiveness

β_1, \dots, β_7 = regression coefficient of Factor 1 to Factor 7

Similar to the previous analysis, controlling variables for gender, age, marital status, education level, employment status and companion to the island were used in the linear regression analysis conducted. Table 8.5 shows the results using the control variables in Model 1 and 2. From the result, tourist loyalty reduced by 6.55% if a tourist was married or living together with a partner (beta=-.265, $p < 0.01$). This could be because being loyal to the destination may be difficult when one of the decision-makers needs to consider the preferences of the partner when travelling or choosing a destination to visit. Therefore, the effort of being loyal to the destination may require the partner to agree on visiting the island together or on whether to recommend it to friends and family. A tourist who travelled with a partner (beta=.297, $p < 0.01$), had an increase of 7.61% in loyalty.

This may be due to personal intimacy which developed while travelling with the partner and the ability to recapture memories of shared behaviours (Piorkowski & Cardone, 2000). As stated by Trauer and Ryan (2005), a fulfilling tourism experience is influenced by visitors having open minds, hearts and senses toward a place, their hosts and their travelling partners. This may result in partners travel together to Perhentian Island positively influencing the perception of the destination by the tourist.

Similarly, there was a 4.2% increase in employment status if the respondent was retired ($\beta=.164$, $p<0.05$). According to Borja et al. (2002), retiree tourists are commonly adults over 55 years of age who are characterized by their extensive travelling experience (as cited in Alén, Domínguez & Losada, 2002). Their availability to travel and use of money to enjoy their leisure time without restriction impacts positively on loyalty compared to other group of tourists. As for the education level, for each additional tourist with no formal education ($\beta=-.158$, $p<0.05$) it reduced tourist loyalty by 4%. This might be due to their loss of interest or lack of activities that suited their preferences. However, a study in western Iran had different findings, with the domestic tourists with no formal education more likely to express attitudes of tourist loyalty (Ghanian, Ghoochani & Crofts, 2014). The result was also in contrast to a study by Chen (2012), which indicates that the inclusion of a tourist's education level, including 'no formal education', positively influenced tourist loyalty towards Hong Kong as a tourist destination.

Adding TDC to the regression with the control variables had a statistically significant relationship ($p =.001$). The model explained 21.2% of the variance in TDC ($R^2=.212$), $F(20, 183) =2.45$, $p<0.001$. In the final model (Model 2), the TDC variable measure was statistically significant, recording a beta value of .299, $p<0.001$. This result is in line with previous studies that showed importance of tourist loyalty as a competitive advantage for a destination (Bigne et al., 2001; Campón-Cerro, Hernández-Mogollón & Alves, 2017; Ramseook-Munhurrun et al., 2015; Weaver & Lawton, 2011; Yoon & Uysal, 2005). Despite the strong relationship proven by the literature, the interpretation of change in the coefficient shows that every 10% increase in TDC only increased tourist loyalty by 3%, which is relatively low.

Table 8.5 - Hierarchical linear regression analysis for TDC and tourist loyalty

Independent Variable	Model 1 (Regression Coefficient, β)	Model 2 (Regression Coefficient, β)
Gender		
• Male (1, yes; 0, no)	.050	.025
Age		
• 35 and above (1, yes; 0, no)	-.012	-.009
Marital Status		
• Married/ Living Together (1, yes; 0, no)	-.246**	-.265**
• Divorced (1, yes; 0, no)	-.036	-.028
• Widowed (1, yes; 0, no)	-.097	-.111
Level of Education		
• No Formal Education (1, yes; 0, no)	-.133	-.158*
• High School (1, yes; 0, no)	.051	.056
• Short Courses (1, yes; 0, no)	-.064	-.044
• Diploma (1, yes; 0, no)	-.132	-.141
• Master (1, yes; 0, no)	.026	.045
Employment Status		
• Self-employed (1, yes; 0, no)	.081	.098
• Unemployed (1, yes; 0, no)	-.050	.003
• Retired (1, yes; 0, no)	.153*	.164*
• Student (1, yes; 0, no)	-.063	-.061
• Other (1, yes; 0, no)	-.016	-.015
Travel companion		
• No one (1, yes; 0, no)	-.024	-.018
• Partner (1, yes; 0, no)	.305**	.297**
• Family or relatives (1, yes; 0, no)	.003	-.039
• Co-workers (1, yes; 0, no)	.059	.103
Tourism Destination Competitiveness		.299***
R ²	.131	.212
R ² change	.081	
F	(19, 184) = 1.46	(20, 183) = 2.45***
F change	(1, 183) = 18.71***	
N	204	

Source: Author. Note: Confidence Interval, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

As regards to the assumptions, the precision of the result is supported by the normality of the data and the fulfilment of the required assumptions of multicollinearity, homoscedasticity, linearity, outliers and independence of residuals (refer to **Sub-Appendix 8.7.2**).

8.5.3 TESTING MEDIATORS IN KEY RELATIONSHIPS

The fourth stage of the analysis involved analysing the mediating influence of TDC on the independent (quality of tourism experience and TDI) and dependent (tourist loyalty) variables. According to MacKinnon (2012), the mediation models were recognized in early psychology (Hyman, 1955; Lazarsfeld, 1955; Woodworth, 1928) and were then generalized to the social sciences by Baron and Kenny (1986). Baron and Kenny (1986) clarified that there are three steps for determining whether the function TDC as a mediator meets the following conditions: (1) variations in levels of the independent variable significantly account for the variation of the presumed mediator; (2) variations in the mediator significantly account for variations in the dependent variable; (3) when the relationships in the first and second conditions are controlled, a previously significant relationship between the independent and dependent variable is no longer significant, with the strongest form of mediation occurring when the relationship is zero. This study provides the test of the mediation variable using the recommendations and procedures by Baron and Kenny (1986). It examines TDC as mediating variable between the quality of tourism experience and TDI and the outcome of tourist loyalty (Figure 8.4).

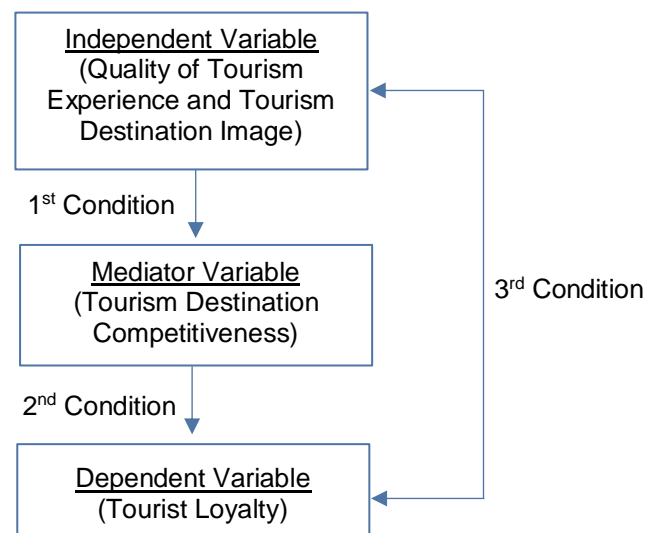


Figure 8.4 - Basic causal chain involved in mediation

Source: Based on Baron and Kenny (1986). Note: The figure is in correspondence with the 3 conditions or steps to test for mediation analysis

Based on the conditions outlined by Baron and Kenny (1986), the statistically significant results from the regression between quality of tourism experience and TDI on TDC as well as TDC and tourist loyalty (see Sections 8.5.1 and 8.5.2) met the first and second requirements. In order to fulfil all the conditions, the regression analysis of the quality of tourism experience and TDI on tourist loyalty needed to be conducted. This was fundamental for the analysis of TDC as the mediator between quality of tourism experience, TDI and tourist loyalty. The equation for overall relationship is expressed in the following equation:

$$Y_s = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8 + \varepsilon$$

Where,

Y_s = Tourists' overall level of tourist loyalty

β_0 = Constant (coefficient of intercept)

X_1 = Gender

X_2 = Age

X_3 = Marital status

X_4 = Level of education

X_5 = Employment status

X_6 = Travel companion

X_7 = Quality of tourism experience

X_8 = Tourism destination image

β_1, \dots, β_8 = regression coefficient of Factor 1 to Factor 8

The results of hierarchical linear and multiple regression analysis between the quality of tourism experience, TDI and tourist loyalty using the control variables is presented in Table 8.6. The control variables in Model 1 and 2 showed similar results as the dependent variable in the previous section on tourist loyalty, whereby tourists who were married or living together and had no formal education had less destination loyalty. This was because an increase of these control variables decreased tourist loyalty by 6% and 3.7% respectively. Nonetheless, the positive effect of having a partner as a companion to the island increased tourist loyalty by 6.9% for every increase in this type of tourist.

Table 8.6 - Hierarchical linear and multiple regression analysis of quality of tourism experience, TDI and tourist loyalty

Independent Variable	Model 1 (Regression Coefficient, β)	Model 2 (Regression Coefficient, β)
Gender		
• Male (1, yes; 0, no)	.050	.057
Age		
• 35 and above (1, yes; 0, no)	-.12	-.010
Marital Status		
• Married/ Living Together (1, yes; 0, no)	-.246*	-.234*
• Divorced (1, yes; 0, no)	-.036	-.026
• Widowed (1, yes; 0, no)	-.097	-.087
Level of Education		
• No Formal Education (1, yes; 0, no)	-.133	-.144*
• High School (1, yes; 0, no)	.051	.053
• Short Courses (1, yes; 0, no)	-.064	-.054
• Diploma (1, yes; 0, no)	-.132	-.103
• Master (1, yes; 0, no)	.026	.063
Employment Status		
• Self-employed (1, yes; 0, no)	.081	.074
• Unemployed (1, yes; 0, no)	-.050	-.025
• Retired (1, yes; 0, no)	.153	.135
• Student (1, yes; 0, no)	-.063	-.076
• Other (1, yes; 0, no)	-.016	-.027
Travel companion		
• No one (1, yes; 0, no)	-.024	-.021
• Partner (1, yes; 0, no)	.305**	.268**
• Family or relatives (1, yes; 0, no)	.003	-.032
• Co-workers (1, yes; 0, no)	.059	.052
Quality of Tourism Experience		-.068
Tourism Destination Image		.254**
R ²	.131	.177
R ² change	.046	
F	(19, 184) = 1.46	(21, 182) = 1.86*
F change	(2, 182) = 5.08**	
N	204	

Source: Author. Note: Confidence Interval, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

After the entry of quality of tourism experience and TDI in Model 2, the result explained the overall regression model estimation of 17.7% ($R^2 = .177$), $F(21, 182) = 1.86$, $p < 0.05$. This shows that the regression equation was statistically significant but with a very low variance explained (R^2). Again, the result particularly for TDI variable shows a significant result of 25.4% after controlling for all of the variables entered in the first model (Model 1), ($\beta = .254$, $p < 0.01$)

but not for quality of tourism experience. Due to this, the third condition of Baron and Kenny (1986) is considered not fulfilled. Therefore, the final step of the phase to determine if TDC mediated the quality of tourism experience and TDI towards tourist loyalty could not proceed as it indicated a clear violation of the third condition.

Nonetheless, considering the given situation, whereby TDI as an independent variable separate from quality of tourism experience was statistically significant in relation to tourist loyalty and subsequently fulfilled the third condition. Hence, the further step of the analysis was to identify if TDC mediated the relationship between TDI and tourist loyalty. The results of the hierarchical linear and multiple regression of TDC as a mediator between TDI and tourist loyalty using the control variables is presented in Table 8.7. The control variables present a comparable result with the previous regression. To summarise, tourists who were married or living together and had no formal education reduced the perception on being loyal to the destination. However, a tourist who was characterized as retired and travelled to Perhentian with a partner had positive opinions on being loyal to the destination by repeat visitation and recommending the destination to family and friends.

In accordance with the result of the first two models (Model 1 and Model 2), a statistically significant regression of TDI and tourist loyalty was presented with a model estimation of 17.4% ($R^2=.174$), $F(20, 183) = 1.93$, $p < 0.05$. After TDC was included in Model 3 as a mediating variable, the total variance explained by the whole regression model estimation was 21.4% ($R^2=.214$), $F(21, 182) = 2.35$, $p < 0.001$.

Table 8.7 - Hierarchical multiple regression analysis for the mediating effect of TDC between TDI and tourist loyalty

Independent Variable	Model 1 (Regression Coefficient, β)	Model 2 (Regression Coefficient, β)	Model 3 (Regression Coefficient, β)
Gender			
• Male (1, yes; 0, no)	.050	.056	.029
Age			
• 35 and above (1, yes; 0, no)	-.012	-.014	-.009
Marital Status			
• Married/ Living Together (1, yes; 0, no)	-.246*	-.241*	-.262**
• Divorced (1, yes; 0, no)	-.036	-.025	-.027
• Widowed (1, yes; 0, no)	-.097	-.096	-.109
Level of Education			
• No Formal Education (1, yes; 0, no)	-.133	-.142	-.157*
• High School (1, yes; 0, no)	.051	.052	.056
• Short Courses (1, yes; 0, no)	-.064	-.058	-.045
• Diploma (1, yes; 0, no)	-.132	-.109	-.134
• Master (1, yes; 0, no)	.026	.052	.055
Employment Status			
• Self-employed (1, yes; 0, no)	.081	.074	.094
• Unemployed (1, yes; 0, no)	-.050	-.017	.005
• Retired (1, yes; 0, no)	.153*	.142	.160*
• Student (1, yes; 0, no)	-.063	-.072	-.063
• Other (1, yes; 0, no)	-.016	-.020	-.016
Travel companion			
• No one (1, yes; 0, no)	-.024	-.013	-.016
• Partner (1, yes; 0, no)	.305**	.275**	.290**
• Family or relatives (1, yes; 0, no)	.003	-.028	-.042
• Co-workers (1, yes; 0, no)	.059	.048	.094
Tourism Destination Image		.218**	.059
Tourism Destination Competitiveness			.263**
R ²	.131	.174**	.214**
R ² change		.043**	.083***
F	(19, 184) = 1.46	(20, 183) = 1.93*	(21, 182) = 2.35***
F change		(1, 183) = 9.57**	(1, 182) = 9.13**
N	204		

Source: Author. Note: Confidence Interval, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Furthermore, the result indicates that TDC particularly explained an additional 8.3% of the variance in tourist loyalty, after including TDI and other control variables, (R² change=.083) F change (1, 182) =9.13, $p < 0.01$. After the entry of TDI and other control variables in the regression Model 3, TDC was reported to

have the highest beta coefficients ($\beta = .263, p < .01$). On that premise, it is important to highlight the changed significance level between TDI and tourist loyalty from the statistically significant ($p < 0.01$) to not statistically significant. This was to ensure that the mediating effect was proven, especially when TDC is included. As stated by Baron and Kenny (1986), the independent variable should have resulted in no significance in the regression model which includes the mediator. This empirically proves the strong mediation influence of TDC on the relationship between the TDI and tourist loyalty with the reduced significance level from .002 in Model 2 to .494 in Model 3. In fact, the mediation results between TDI, TDC and tourist loyalty also show an increment of the variance explained from 17.4% to 21.4% ($R^2 = .174, p < .01$ to $R^2 = .214, p < .01$). The result is presented in the following Table 8.8, which shows a summarisation of the mediation analysis. With regard to the assumptions, there was no indication of any clear violation (see in **Sub-Appendix 8.7.4**). This shows that the model with TDI performed best in terms of the goodness of fit in determining TDC. For tourism loyalty, including TDC as a mediator improved the fit of the model, though only 21% of the variation was explained.

Table 8.8 - Summary of the mediation analysis between TDI, TDC and tourist loyalty

Step	Dependent variable	Independent variable	Model regression, R ²	Model statistical significance	Beta coefficient, β	Regression statistical significance
1	• TDC	• TDI	.494	.000***	.426	.000***
2	• Tourist Loyalty	• TDC	.212	.001***	.299	.000***
3	• Tourist Loyalty	• TDI	.174	.002**	.218	.002**
	• Tourist Loyalty	• TDI • TDC	.214	.003**	.059 .263	.494 .003**

Source: Author. Note: Confidence Interval, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

8.6 AFTER-TRIP ANALYSIS

This section presents the findings based on the extended responses to a follow-up web survey administered approximately a week after a visit to Perhentian Island. Before discussing the results further, it is important to note that out of 190 tourists who agreed to answer the follow-up questionnaire, only 11 of them

responded and answered the survey. There were difficulties in getting a high response rate on the follow-up feedback due to e-mail addresses being not reachable or inactive. Although these responses were limited, they could be used to give some indication of the respondents' post-trip reflection about their vacation experience on the island.

The demographic characteristics of gender, age, marital status, education and employment status are included in this section as a descriptive profile of the follow-up surveyed respondents (Table 8.9). The 11 respondents were from Malaysia, with the majority of them being female (81.8%) in the age group of 25-34 (90.9%), single (54.5%), pursuing their studies in higher education learning and currently employed (54.5%). However, due to there being no respondents from international countries, the following analysis did not require analysis based on the place of origin.

Table 8.9 - Demographic characteristics of the respondents for post-trip

	Frequency	Percentage (%)
Gender		
Male	2	18.2
Female	9	81.8
Age Group		
25-34	10	90.9
35-44	1	9.1
Marital Status		
Single	6	54.5
Married/ Living together	5	45.5
Education Level		
Diploma	1	9.1
Degree	5	45.5
Master	5	45.5
Employment Status		
Employed	6	54.5
Unemployed	1	9.1
Student	4	36.4

Source: Author

A descriptive analysis was then conducted to identify the post-trip attributes that were considered to be relatively important in the phase. Table 8.10 reports on the mean scores and standard deviation for each post-trip factors as answered by

the respondents in the web survey after their trip. Based on the outcomes, the respondents responded to 'The feeling of having spent quality time with family and friends' as the most important factor when travelling to Perhentian Island while 'Feeling a sense of life-enrichment after the vacation' and 'Having memorable items to bring back home' had the lowest mean scores. Despite the small sample size, the answers basically reflect the attributes related to TDC, with shopping opportunities ranked the lowest by the tourists (see Section 8.2.2). In other words, these tourists considered the quality of the experience to be more important compared to tangible things to bring back home as memories. In fact, the island has no major facilities for shopping. Nonetheless, the mean scores were still within the range of 4 to 5, which is considered to be high in terms of the Likert scale.

Table 8.10 - Descriptive statistics on post-trip attributes

	N	Minimum	Maximum	Mean	Std. Deviation
The feeling of having spent quality time with family and friends.	11	5	5	5.00	.000
Feeling relaxed and refreshed after the vacation.		4	5	4.82	.405
Feeling a sense of personal reward after the vacation.		4	5	4.64	.505
Getting good value for money for the whole trip.		3	5	4.55	.688
Having a sense of freedom during the vacation.		2	5	4.45	.934
Feeling a sense of life-enrichment after the vacation.		2	5	4.36	.924
Having memorable items to bring back home (photographs, souvenirs, etc.).		2	5	4.36	1.027

Source: Author

The respondents were also required to answer the section on tourist loyalty for the second time in the web survey to identify whether their after-trip had affected their preferences on recommending and returning to the island. The results in Table 8.11 show that the tourists had a slight difference in both of the items of tourist loyalty, with recommending the island having a higher mean and returning to the island being lower in mean score compared to their previous answers on-site. However, the answers do not reflect the actual result as the number of respondents was different. Basically, it provides an overview of the expected response by the tourists, particularly from Malaysia.

Table 8.11 - Comparison mean on tourist loyalty

	Tourists On-site			Tourists Post-trip		
	N	Mean	Std. Deviation	N	Mean	Std. Deviation
I will recommend the destination to family/friends/colleagues	204	3.56	1.13236	11	4.09	.944
I will return to the destination in the next three years		4.25	.73861		4.00	.775

Source: Author

8.5 SUMMARY

This chapter is built around the statistical procedures applied to establish results from the analysis of the survey data obtained from the tourism stakeholders and tourists visiting Perhentian Island. Firstly, factors that influence destination competitiveness were measured according to their importance by different groups of participants (tourists and tourism stakeholders). This result captures the elements of competitiveness perceived as essential by individuals when travelling to or promoting the island. The interrelations of destination attributes provide the foundation for potential development and exploitation of available resources with a view to achieving efficiency, potential competitive and comparative advantages.

A frequency count was utilised, and priority rankings were obtained by taking factor count as a percentage of the total frequency among the attributes. Based

on the result of the findings, there were dissimilarities in the main TDC factors chosen by the two group of respondents except for the fourth attribute, which was the climate and weather on Perhentian Island. The importance of the island for tourists basically concentrated on the island's natural resources and its attractions. However, the stakeholders centred on providing the basic needs of ensuring a value-added experience for the tourists. Table 8.12 ranks the main five factors in order of relative importance and competitiveness as perceived by tourists and stakeholders.

Table 8.12 - Priority factors for destination competitiveness

Rank	Tourists	Tourism Stakeholders
1	Sun, sea and beaches	Quantity and quality of public infrastructure
2	Panoramic sea views	Diving
3	Visual appeal	Hospitality
4	Climate/ weather	Climate/ weather
5	Relaxation/ care free opportunities	Sun, sea and beaches

Source: Author

The following phase of quantitative analysis involved further stages of analysis that included variables of quality of tourism experience, TDI, TDC and tourist loyalty. A series of hierarchical linear and multiple regression analysis were conducted to determine the relationship of two independent variables of quality of tourism experience and TDI as predictors for TDC as a dependent variable. The findings indicated that both of the independent variables show a significant relationship with TDC. However, among the two variables TDI exhibited a higher value of beta (beta=.426, $p < 0.001$) compared to quality of tourism experience (beta=.331, $p < 0.001$). Even though there was not much distinction between the two variables, it can be concluded that TDI was a better predictor of TDC.

A linear regression was performed in the following stage of the analysis to identify the relationship between TDC and tourist loyalty as an important variable in tourists' behavioural intention towards Perhentian Island. The regression model of the two variables showed a statistically significant relationship.

The subsequent stage of the analysis determined the mediating effect of TDC on the relationship between the two independent variables (quality of tourism experience and TDI) and tourist loyalty. The regression could not proceed for quality of tourism experience as the result violated the conditions by Baron and Kenny (1986). Therefore, only TDI as an independent variable was tested for the mediating effect of TDC on tourist loyalty. The result of this phase revealed that there was a significant mediation effect of TDC towards TDI and tourist loyalty with the model estimation achieving a goodness-of-fit. Figure 8.5 exhibits the mediation of TDI and tourist loyalty by TDC with numbers on arrows as standardized regression coefficients

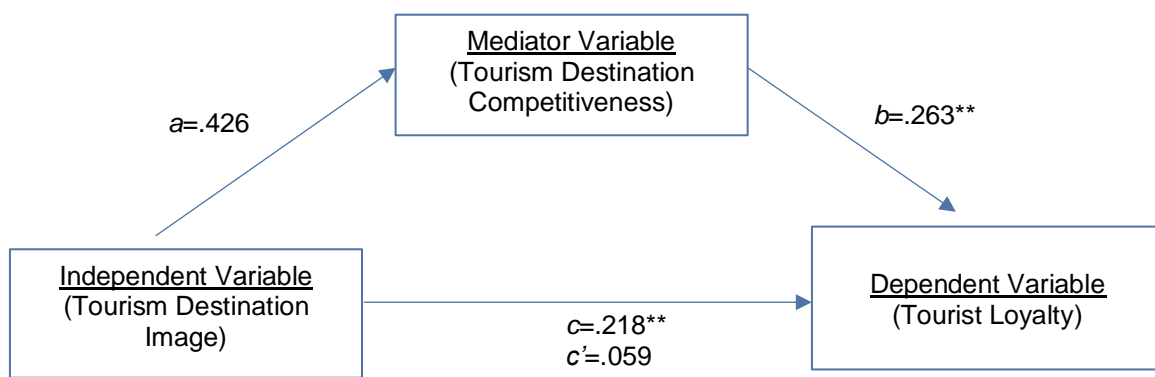


Figure 8.5 - Mediating effect of tourism destination competitiveness on tourism destination image and tourist loyalty

Source: Author (Note: Confidence Interval, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$)

This chapter concludes with results on the post-trip analysis gathered from the web survey by the respondents after their trip to Perhentian Island. The analysis showed that after the trip, the tourists ranked their experience after the trip with a high mean score of between 4 and 5 on the Likert scale, which revealed ‘the feeling of having spent quality time with family and friends’ as the most important component when travelling to the island. Moreover, the result on the comparison between tourist on-site and after-trip on tourist loyalty also shows a slight difference in the mean score, with an increase in recommending the island but a lower mean score on returning to the island.

With the completion of the presentation and interpretation of the results in this chapter, the next part of the thesis presents the conclusion of the study, including areas for further research.

CHAPTER 9

CONCLUSION

9.1 INTRODUCTION

Tourism destination competitiveness (TDC) has been proposed in the tourism literature as a vital element for supporting a destination's development and success (Cucculelli & Goffi, 2016; Novais, Ruhanen, & Arcodia, 2018). Particular emphasis may be placed on destinations that are economically dependent on tourism, such as many island destinations. The economic opportunities for small islands are expected to become more dependent on tourism compared to other destinations. This is despite the performance of islands in generating less travel receipts and tourist arrivals than regular destinations which are located on the mainland (Bojanic, Warnick & Musante, 2016). Based on this observation, this study examined the literature on TDC, building a theoretical background and summarising empirical studies that exist. The main objective of the study was to develop a model based on TDC to assess the competitiveness of Perhentian Island market as one of the most visited islands on the East coast of Malaysia. The model is supported by other variables including measures of the quality of tourism experience, Tourism Destination Image (TDI) and tourist loyalty. TDC is determined by the tourists' perception of the different phases of the tourism experience (pre-trip planning experience, en-route experience, on-site experience, and after-trip reflection) and their image of the destination. Taking all these factors into consideration, one can identify the impacts on tourist loyalty.

Given the importance of the discussed variables in the current work and the potential of their connections and applications within the context of Perhentian Island, four research objectives were outlined. In order to provide a base for critical and meaningful discussion, a series of meta-analyses were conducted, bringing together previous research that involved the research variables considered in this thesis. From this premise, analyses were conducted on the sequential quantitative and qualitative data collected to fulfil all the research objectives. It is the aim of this final chapter to first present the key findings of the research, and to address the contributions to research methods and theory. From the summarisation of the main findings, the convergence of both quantitative and

qualitative results is discussed to address the research objectives and integrate the findings to reflect the final model of the study. The discussion continues on with the limitations of the study and suggestions for future research that could contribute to the literature on tourism development, particularly in the aspects of quality of tourism experience, TDI, TDC and tourist loyalty. The chapter concludes with the managerial and theoretical implications of the findings of the analyses.

9.2 KEY RESEARCH FINDINGS

Considering the four objectives of the study, as previously mentioned in chapters 1 and 3, this section presents the main findings obtained from the research developments on the process of conceptualisation and data analysis.

Objective 1: To explore destination competitiveness from the tourism stakeholders' marketing perspective

In order to fulfil the first objective of the study, a thematic analysis based on the eight semi-structured interviews was conducted with tourism stakeholders who are directly involved in Perhentian Island's tourism development. The destination is governed by different levels of partnerships constituting trajectories of pragmatic and sustainable development for the island towards a premier ecotourism island destination.

The repositioning of Perhentian Island as an ecotourism island destination sets a new marketing strategy focusing on the island's resources and environment. This has led to the importance of a product market fit indicating products and services appropriate for the plan. Implementing effective marketing strategies enables the generation of means to achieve island competitiveness with the development and evolution of the destination. Hence, this objective identifies the marketing of Perhentian Island, contributing towards the understanding of island competitiveness from the tourism stakeholders' perspectives. This includes marketing constructs of promoting the island and the importance of TDC factors highlighted in the literature. The findings revealed that there are two important key findings interrelated to destination competitiveness, which are **destination development** (refer to **Chapter 5**) and **marketing** (refer to **Chapter 6**). Within

these components there are different themes gathered into different segments as presented in Figure 9.1.

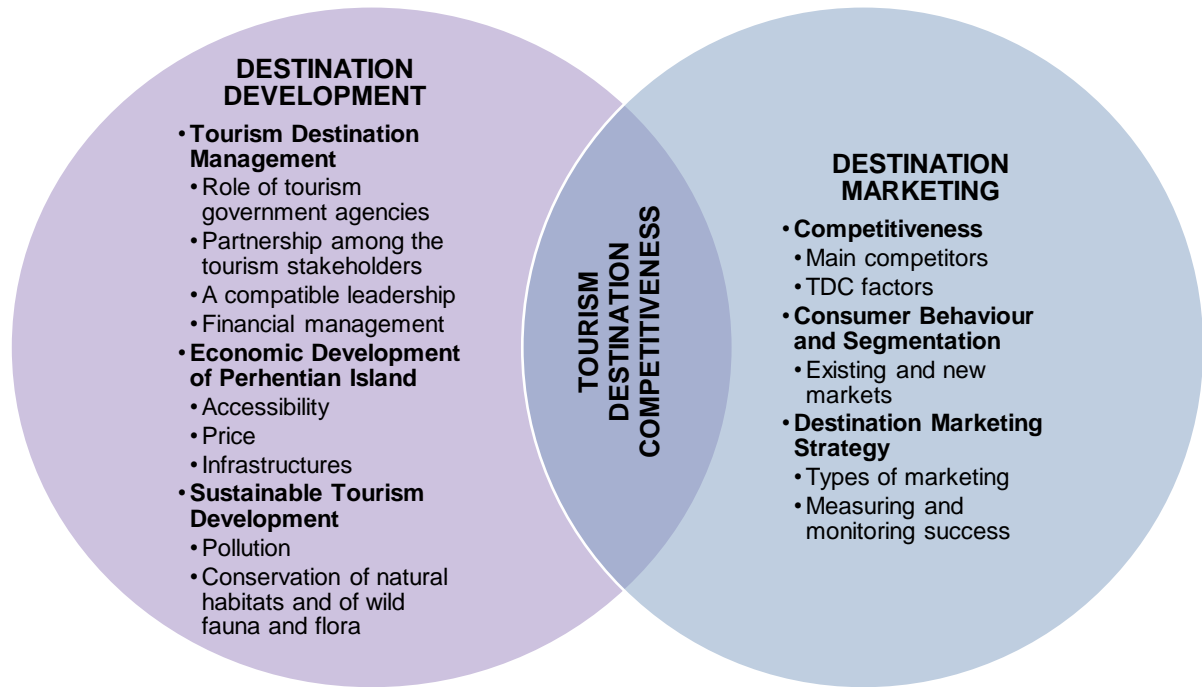


Figure 9.1 - Summarisation of themes from semi-structured interviews relating to TDC

Source: Author

In particular, **tourism destination management** concentrates on the function of the government tourism agencies on Perhentian Island, collaborations among tourism stakeholders, leadership competencies and finally the fiscal prospects around marketing as well as the development of tourist attractions on the island. Tourism destination management has been considered as among the core components in destination competitiveness models (Crouch & Ritchie, 1999; Dwyer et al., 2004; Dwyer & Kim, 2003). Strong destination management is also recognised as the main feature that leads to the success of a destination (Martínez et al., 2014). The finding of the first attribute highlighted by the stakeholders was on the **role of tourism government agencies**. As emphasised by other scholars (Cinner, 2005; Kaza, 1988; Kenchington, 1988; White, 1986), the main feature on the success of Perhentian Island as a marine protection area

has been the reinforcement of both state and federal agencies in delivering their roles (as cited in Nasir et al., 2017, p. 168). However, the communication barriers between the government tourism agencies have resulted in poor performance in promoting the destination. As stated by Sheehan and Ritchie (2005), a lack of communication can hinder a destination in achieving successful tourism strategies. This is similar with the case of Penang Island, Malaysia, where the local authority appears to have poor communication with other stakeholders (Siti-Nabiha & Saad, 2015). Akin to Penang Island, the poor communication on Perhentian Island has led to ineffective management due to overlapping responsibilities of the government tourism agencies.

Communication channels and networks should be coordinated, have clear responsibilities of the parties involved and strengthen the collaboration (Siti-Nabiha & Saad, 2015). This is further associated with the **partnership among the tourism stakeholders** in tourism planning and development of Perhentian Island. The partnership provides strategic leverage for a tourist destination to gain networks and exposure to different organisations in various fields. It is important for the partnership to gain consensus and perception of their responsibility to achieve a successful tourism program implementation (Ho, Chia, Ng & Ramachandran, 2017) especially in the context of repositioning Perhentian Island as a premier ecotourism destination. As suggested by Uysal and Modica (2016), destinations like Perhentian Island, which are likely to be more vulnerable, require the institutional support of stakeholders to establish public policy that prevents destruction due to high tourist volumes and increases in visitation.

Fundamentally, island destinations also require a special kind of leadership that is aware of the complexities of the tourism industry in relation to the island's limited and fragile resources (Mustapha, Azman & Ibrahim, 2013). This is to allow appropriate practices within the organisation under the influence of a skilled leadership, especially one that has knowledge in the field. As discussed in Chapter 5, Perhentian Island is governed by multiple formal institutions that are led by tourism stakeholders with different backgrounds. It was highlighted that **compatible leadership** from the tourism stakeholders is essential to lead the organisations especially for destination planning and management. This is because tourist destinations that implement principles through multiple

governance are not necessarily led by strong leadership (Valente, Dredge & Lohmann, 2015) but good destination leadership can address the issues and opportunities for destination competitiveness (Wintjen, 2017).

In fact, a good leadership structure consequently demonstrates a firm financial performance. This is in line with the last attribute discussed, which is the **financial management** in promoting the destination and tourism activities. The interviewees established a common response on the financial predicament for the use of a destination's development. This is mainly due to the lack of financial resources held by the stakeholders. Past studies have identified special traits of leadership that have a positive influence on financial performance, such as being transformational (Flanigan, Bishop, Brachle & Winn, 2017) and ethical (Kıyak, Bozaykut, Güngör & Aktas, 2011). Hence, the stakeholders should consider the selection of leaders that hold these traits to maintain their organisations.

The second theme discussed on the **economic development of Perhentian Island** includes accessibility, prices, and infrastructure on the island. Economic development draws on the destination's resources, which were discussed in Section 2.4.2. The results indicate that Perhentian Island is still lacking in term of **accessibility** with difficulty in accessing the island faced by visitors especially international tourists. Besides this, **prices** on the island were also emphasised as there may be overcharging and price discrimination as a consequence of the deficiency in price controlled by the government. Moreover, it is noted that as a prominent foundation to tourism, Perhentian Island is still inadequate in **general infrastructure** for tourism activities. Essentially, it is planned for the basic infrastructure to be put in place first before proceeding to the major projects for Perhentian Island as a premier ecotourism destination (TPRG, 2014). These components together have an influence on the tourists travel experience on the island. As stated by Cracolici and Nijkamp (2008), tourists who visit a destination for its resources are more likely to envision well-being at a destination and to recommend it to others.

The final theme discussed is the **sustainable tourism development of Perhentian Island**. Considering Perhentian Island is a small island destination,

it is important that stakeholders focus on good environmental practices within the organization and services. The protecting and preserving of the environment and marine life has become a tremendous cause for concern among the stakeholders. This is predominantly from their observations on the island about the **pollution** caused by irresponsible individuals and uneducated tourists. Similar to other findings (see Godon & Mohamed, 2016; Mohamad & Mohamed, 2018; Rahim & Lajin, 2015), the danger of pollution is increasing on Perhentian Island and is affecting its reputation as well as the life of the coral reefs. Hence, all tourism stakeholders should take part in achieving sustainable tourism practices. The lack of or ineffective stakeholder involvement hinders such practices (Waligo, Clarke & Hawkins, 2013).

The semi-structured interviews with the stakeholders also highlighted the **marketing and competitiveness of Perhentian Island**. The themes emerging from the discussions were the '**Competitiveness**', '**Consumer Behaviour and Segmentation**', and '**Destination Marketing Strategy**'. As discussed in Section 2.4, these topics are mainly associated with the marketing process to ensure a destination's overall competitiveness. In regard to the **competitiveness aspects**, the majority of the stakeholders felt Tioman Island was the main competitor in Malaysia. This island is one of the leading island destinations in the country and in the world (Sharif & Lonik, 2017). Owing to this, it has been developed rigorously by the federal government with improvements in the facilities and infrastructure, which Perhentian Island is still lacking (Shida, Abdul & Badaruddin, 2013). As a result, Tioman Island has a projected rapid economic growth contributed by the high number of tourist arrivals compared to Perhentian Island.

For this reason, the importance of **market segmentation** was highlighted, which allows the stakeholders to focus on their consumers' behaviours and purchasing patterns. As stated by Salmond (2010), it is common for tourist destinations in Southeast Asia to attract European tourists. Consequently, some of the business operators accommodate the western lifestyle to attract this type of tourist despite villagers' traditional and rustic lifestyle. Meanwhile, there were also attempts from the stakeholders to attract more visitors from other Asian countries such as China.

From this perspective, the stakeholders presented a consensus on promoting Perhentian Island as a premier ecotourism destination. This **destination marketing strategy** focuses on the process to improve the financial constraints as one of their biggest challenges in promoting the island. For this reason, they utilised social media platforms as a cost-effective marketing tool that highlights the wellbeing of both villagers and the environment. The popularity and influence of social media-based tourism continues to grow, as evidenced by the world's largest travel review company, TripAdvisor, which helps to construct consumer preferences (Harrigan, Evers, Miles & Daly, 2017). The most convenient way for the tourists to gather information about the island is also through the internet (Fitri et al., 2016; Rose et al., 2012). Hence, it is common for the majority of the stakeholders to rely on customer feedback through TripAdvisor and online travel agencies. By this, the success of the marketing approaches implemented can be monitored regularly.

Taken all together, the perspectives of tourism stakeholders for Perhentian Island showed a good consensus in developing the island towards a premier ecotourism destination. The approach of maintaining its market position is the key component for destination competitiveness. To some extent this is defined as extended product life time (Butler, cited in d'Hautesserre, 2000). This particularly requires the plurality of actors in the system, which represents different subsectors of the industry (accommodation, food and beverages, transportation) towards strategic tourism development (Bock, Costa & Rodrigues, 2018). However, issues prevail among the stakeholders especially in the lack of communication and understanding, which has mainly developed from the multi-levels of governance. The involvement of different levels of governance should be to provide resolutions to problem, not the other way around. Therefore, the government agencies as the policy-makers should move towards coherent and comprehensive approaches and be more transparent in the collaborations with other stakeholders. This is especially true for an island destination that urgently needs to focus on sustainability practices and environmental awareness. As suggested by Rodríguez Diaz and Espino Rodríguez (2016), the key factors in managing and maintaining the competitiveness of tourism destinations are sustainability and performance.

Objective 2: To understand the visitor demographic and travel profile of Perhentian island.

The tourist characteristics were measured using three different segments of **demographic profile** (country region, nationality, gender, age, education, marital status, highest level of education, employment status), **travel profile** (first-time or repeat visit to Perhentian Island, number of previous visits to Perhentian Island, the sources of information used to obtain information about Perhentian Island, if staying overnight on Perhentian Island and the respective number of nights, the type of lodging chosen, companion to the destination) and **decision-making process** (the sources of information used to obtain information about Perhentian Island, return intention and willingness to recommend Perhentian Island).

These items were first determined by utilising frequencies from the data obtained by the tourist respondents on the island. It can be summarised that the results from the demographic segmentation show that the majority of the tourists **originated** from Malaysia followed by European countries such as the United Kingdom, France and the Netherlands. This is in line with the previous studies on Perhentian Island, where statistics indicate that tourists from European countries are among the biggest contributors to the tourist arrivals on the island besides the Asian tourists (Haddock-Fraser & Hampton, 2012; Ismail et al., 2011).

In relation to **gender**, a fairly large number of respondents were female from both domestic and international tourists. This is contrary to past research that obtained a slightly higher number of male respondents than female or had a balance between the two genders (Jaafar et al., 2016; Nejati et al., 2015; Rasoolimanesh et al., 2017). This may reflect either a bias in the interview responses or the global trend of female tourists also being dominant in both the leisure and business travel markets (Zhang & Hitchcock, 2017). Notably, the phenomenon called 'girlfriend getaways' (GGA) has become a norm among the travellers in Perhentian Island who travel with female friends and family. This is particularly for young women as they are estimated to make a high number of future outbound trips (Khan et al., 2017).

In accordance with this, the result shows that the majority of respondents can be considered young as they were in the **age** group of 25 to 34 years followed by 18

to 21 years. This is in line with previous literature that acknowledged Perhentian Island as attractive to these ages due the island's offering of water activities such as diving and snorkelling (Daldeniz & Hampton, 2013; Ismail et al., 2011; Jaafar et al., 2016). These young travellers' **marital status** is single and never married. Such a group may seek freedom when travelling to the island with no attachments to anyone with the opportunity to build new friendships. As suggested by Pearce (1990), the single travellers are commonly backpackers. For this reason, the marketing objective on Perhentian Island as a premier ecotourism destination includes market segmentation to a broader group of tourists as one of the initiatives by the government to diversify the type of tourists. As regards to the **education level**, the respondents are mainly degree holders. According to Gustafson (2006), higher learning education holders are much more likely to travel than those who have only attended primary and secondary school. These tourists have higher incomes and more flexible work schedules to be involved in social activities like travelling. Hence, this portrays that their **employment status** of being employed and having regular earnings are important determinants of travel behaviour (Bhat & Koppelman, 1993).

The findings on tourists' age, marital status, education and employment status are consistent over several decades with the outcomes reported by Hampton (1998), Jaafar et al., (2016), Nejati et al. (2015), Rasoolimanesh et al. (2017) and Weng (2009). Some of the similar tourists' demographic traits gathered from this study and previous literatures was as expected by the stakeholders interviewed regarding market segmentation. Hence, the initiative on Perhentian Island as a premier ecotourism destination is the first step taken to break the stereotype and develop Perhentian Island.

Based on the second segmentation of travel profiles, the findings exhibit that the majority of the tourists were **first-time travellers** to Perhentian Island. Even the repeat travellers had an average trip frequency of **every few years** in visiting the island, which can be considered as very occasionally. In spite of this, the tourists often **stay overnight** on the island with an average stay of two nights for domestic tourists and ten nights for international tourists. Considering non-repeat visitors, their stay on the island can be relatively long as one of the tourists from an

international country spent a year on the island. The domestic tourists, however, usually stay for a weekend (Friday to Sunday), potentially due to limited boat transfers provided from the island to the jetty. Even so, Muhibudin and Mohamed (2014) state that the reason for the higher number of stays may be due to the increase in accommodation offered on the island in a total of 42 resorts and chalets with approximately 1000 rooms. With a variety of options in **chalets and resorts**, it is reasonable that most tourists preferred these two types of accommodation. This also considers the cost of the accommodation that is comparatively affordable for the tourists especially from Malaysia. According to the World Bank, Malaysia is seen as an upper-middle income group based on the standard classifications (Cherif & Hasanov, 2015). Therefore, tourists from European countries, for instance, have higher purchasing power compared to the local tourists.

As for the companion to the island, the result is similar to previous studies with **friends** as preferred companions to Perhentian Island (Fitri et al., 2016). The type of companion is commonly chosen based on the type of destinations and activities offered for the tourists (Wu et al., 2011). Perhentian Island offers many group activities such as diving, hiking and snorkelling with entertainment at night that may be more appropriate for a group of friends compared to families. Nonetheless, as previously mentioned on the new project of premier ecotourism destination, the stakeholders are starting to diversify the activities offered and are considering couples and families.

Furthermore, the respondents were shown to prefer the **internet as the main source** to gather information about Perhentian Island, which is similar to the study by Fitri et al. (2016). The internet is widely being used in the tourism industry as an increasingly important source of information to reach the target market. The information is easily accessible by tourists to book their holiday packages directly in the designated accommodation at no cost. Despite the popular use of the internet, past studies from other island destinations in Taiwan and Greece identified tourism magazines (Chang, Chou & Wu, 2017) and own experience (Jacobsen, 2018) to be the most preferred sources used by tourists to explore information. This shows that the information can be received

depending on the availability of its sources, which may not necessarily be the internet.

The results were then tested with the non-parametric analysis in the form of Mann-Whitney U and Kruskal-Wallis tests. The two independent variables of quality of tourism experience and TDI were established to identify variation in the significant differences between the tourist characteristics. These variables used enabled the researcher to gain an understanding of the island's market profiles in relation to the two independent variables of this study. The differences between the international and national tourists visiting Perhentian Island, based on their characteristics, can be observed in the findings.

Domestic tourists that spent two nights were found to be relatively satisfied with the quality of tourism experience compared to those who stayed three nights. As stated by Vogt and Stewart (1998), tourists with short trips have a better perception of the destination and its overall experience compared to those on longer trips of more than four days. This might be indicative of the level of infrastructure and attractions that can be improved to offer a positive experience for the domestic tourists that stay more than three nights. This is in line with Mussalam and Tajeddini (2016), who found that the type of activities and attractions offered at the destination influence the perception of the experience. For that reason, it is important for the stakeholders to bear in mind that the overall tourism products can shape the intensity of tourists' experience. It is also interesting to note the international tourists from various education levels namely, no formal education, high school and degree, perceived TDI differently. In the same vein, studies found that the perception of a destination image varied with the level of education (Baloglu & McCleary, 1999; Tran, 2013).

Tourism stakeholders are encouraged to discover differences in tourist characteristics for the economic growth of the destination. Tourist trends change constantly, which influences the tourist population and demography. Therefore, the stakeholders should emphasise development that suits the target market and preferences. This also considers other factors that can affect the tourists' decision making in relation to the destination such as education and employment status.

Objective 3: To identify the island's competitiveness relative to competing destinations and important factors in determining destination competitiveness for Perhentian Island by tourists and tourism stakeholders.

The findings revealed that the competing islands for Perhentian Island by the stakeholders from a top rank are Tioman Island followed by Langkawi Island and other islands such as Redang and Pangkor Island. This is quite similar to the answers by the tourist respondents, where the difference was only in the order number with Redang Island as the most preferred island followed by Langkawi and Tioman Island respectively. The results show that in relative terms, stakeholders have misinterpreted the tourists' preferences in an island destination apart from Perhentian Island.

Despite the reasons that Tioman Island won several awards, including being named "the Jewel in the South China Sea" (Shuib, Shariff, Emby, Mariapan, & Aziz, 2005) and has faced a rapid growth in tourism development (Muda et al., 2011), the stakeholders should also consider Redang Island as the most competitive destination for Perhentian island. This is because Redang and Perhentian Island are located in the state of Terengganu and have been active participants in tourism since the 1980s (Islam, Yew, Noh, & Noh, 2014). Both islands share similar key selling points, namely the distinctive marine ecosystem, pristine beaches, crystal clear seawater, tropical weather and the rainforests (Nejati et al., 2014). However, recent year statistics show that the tourist arrivals on Redang in 2016 were 65% more than for Perhentian Island (Tourism Terengganu, 2017a). The researcher's anecdotal observation was that in terms of the general infrastructure for tourism purposes provided, Redang Island was more equipped. Hence, the lack of understanding about tourist preferences visiting the island can affect the operation and development of the island especially when the stakeholders set the benchmarking wrongly, which causes a loss of resources that can be detrimental to the environment.

A comprehensive discussion on the determinants of TDC was also presented to examine important attributes or elements of a destination's competitive performance (Section 2.3.3). The TDC factors for this study were relevant to

island competitiveness based on the past literature (e.g Azzopardi, 2011; Meng, 2006) and specifically to Perhentian Island. Therefore, suggestions by Tourism Malaysia Terengganu and Tourism Terengganu were also taken into consideration. Once the TDC attributes were refined and validated by the government tourism agencies, the other tourism stakeholders and tourists were able to respond to the questions related to the items of island competitiveness appropriate to Perhentian Island.

In accordance with the results, Table 9.1 ranks the five main factors in order of relative importance and competitiveness perceived by tourists and stakeholders. It shows that there were variations in the main TDC factors chosen by respondents. This is, however, exceptional for the fourth attribute, which is the same for both groups of respondents that selected 'climate and weather' on Perhentian Island. It is interesting to highlight that the tourists' priorities of the island are identified under core tourism attractors and resources. As suggested by Crouch and Ritchie (1999, p.146), core resources and attractors are "the fundamental reasons that prospective visitors choose one destination over another". This is further supported by the past studies (see Chin et al., 2014; Dragičević, Jovičić, Blešić, Stankov, & Bošković, 2012; Vila et al., 2015), which show that these determinants are vital attributes for destination competitiveness.

Table 9.1 - Priority factors of destination competitiveness perceived by tourists and tourism stakeholders

Rank	Tourists	Tourism Stakeholders
1	Sun, sea and beaches	Quantity and quality of public infrastructure
2	Panoramic sea views	Diving
3	Visual appeal	Hospitality
4	Climate/ weather	Climate/ weather
5	Relaxation/ carefree opportunities	Sun, sea and beaches

Source: Author

In regard to the similar research settings to Perhentian Island, the result of the priority factors for this study are contrary to the tourist respondents' rankings in

Malta and Australia's Great Barrier Reef World Heritage Area, with 'cleanliness' being ranked as the most competitive determinant (Azzopardi, 2016; Esparon et al., 2015). A study of Kinmen Island responses from Taiwanese and Chinese tourists indicated that supporting factors, consisting of 'cheap commodities', made the destination more competitive (Chen et al., 2016). Nonetheless, Azzopardi (2016) emphasises that the result of the determinants of competitiveness focuses on priority issues for a designated destination. Therefore, it could be possible that the findings may be different regardless of them being a similar island setting.

The attributes of the island chosen by stakeholders on driving competition focus on the basic travel needs of ensuring a value-added experience for the tourists (Table 9.1). The factors include quantity and quality of public infrastructure, which are recognised as important sources of competitiveness (Zhang & Jensen, 2007). As classified by Azzopardi (2016), the 'supporting infrastructure' provides the required physical infrastructure and general services to facilitate the tourism development of the destination. These factors were heavily emphasised by the stakeholders in the findings of the semi-structured interviews regarding the development of Perhentian Island as a premier ecotourism destination.

Objective 4: To investigate the conceptual framework of destination competitiveness and related methodological developments in the quality of the tourism experience, destination image and tourist loyalty models.

In order to fulfil this objective, a detailed review was conducted to examine the previous tourism literature on TDC and its relationship with other main variables, in particular the quality of tourism experience, TDI, and tourist loyalty from 1983 to 2018 (see **Table 2.3** in **Chapter 2**). The finding of the detailed review revealed that from 55 TDC studies only three studies incorporated quality of tourism experience, with seven and two studies incorporating TDI and tourist loyalty respectively. Only one study encompassed all of these variables in a single study. This is despite there being numerous scholars who have highlighted the importance of TDC studies especially from the marketing perspective of a destination (Crouch, 2011; Buhalis, 2000; Enright & Newton 2004; Hallmann et al., 2012; Hudson et al., 2004; Martínez et al., 2014; Ritchie & Crouch, 2003). In

fact, the detailed review shows that other variables, such as marketing and tourist characteristics in destination competitiveness, have also not been addressed thus far in the literature. Studies are few in number that also look into both the perspectives of tourism stakeholders and tourists. Hence, to the best of the researcher's knowledge, this study is the first study to explore the relationship between all the mentioned variables and their importance for island destination competitiveness. With this in mind, this objective provides a vital contribution to the body of knowledge that concerns the relationship between quality of tourism experience, TDI, TDC and tourist loyalty.

Based on the gaps revealed in the literature from the detailed review, the study was further developed from an empirical perspective considering the data gathered from the tourism stakeholders' semi-structured interviews and tourists' questionnaire surveys. The model construction on TDC highlighted the work of Meng (2006), who developed a destination competitiveness model according to the tourists' different phases of the tourism experience. The theoretical model addresses the chronological aspects of the experience which are tourist pre-trip planning experience, en-route experience, on-site experience, and after-trip reflection and their influences on tourists' perception on destination competitiveness. It is suggested by Meng (2006) that the model can use additional constructs or variables such as tourist characteristics and travel behaviour. Considering the model analysed, the final model integrated the links between four fields of research (experience, image, competitiveness and loyalty) and analysed two periods of time concerning the visit: on-site and after-trip.

As discussed in Chapter 2, the variables of quality of tourism experience, TDI and tourist loyalty separately have a significant role on destination competitiveness. Based on this premise, it is postulated that TDC might have a crucial role in linking these variables together. In other words, the literature is indicative of the explanatory role of TDC to help model the process of relationships between the respective variables (quality of tourism experience, TDI and tourist loyalty). As stated by Cossío-Silva, Revilla-Camacho & Vega-Vázquez (2018), tourist loyalty is essentially identified through the tourist experience of high-level service quality and a positive image of the destination, which subsequently leads to

recommendation of the destination to third parties and the intention of repeating visits. This assertion comprises all variables considered in the current study. Therefore, it was considered relevant to incorporate the variables together in the model with TDC. Furthermore, the final model established in the study formed a set of variables and took into account measures for TDC and TDI that are relevant to an island setting. The measurements were previously tested by different authors (from Azzopardi & Nash, 2016; Prayag & Ryan, 2012), and others were added in the present research as a result of the semi-structured interviews with the government tourism agencies on the TDC factors that are considered appropriate to Perhentian Island specifically.

Hierarchical linear and multiple regression analyses were conducted to identify the relationships between the quality of tourism experience, TDI, tourist loyalty and TDC with controls for a range of factors. The results from the hierarchical linear and multiple regression analysis revealed that there was a statistically significant mediation effect of TDC between TDI and tourist loyalty. Figure 9.2 illustrates the relationship of the research model.

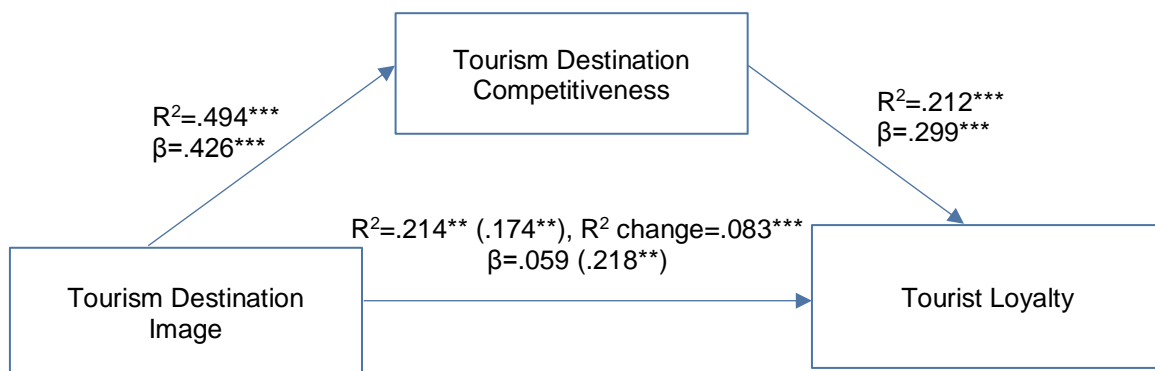


Figure 9.2 - Research model of tourism destination image, tourism destination competitiveness and tourist loyalty

Source: Author. Note: Confidence Interval, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

The results presented in the current work show that TDC did not have strong mediation effect between TDI and tourist loyalty despite the empirical evidence in the past literature. The reasonable result in Figure 9.2 successfully developed and validated TDC performance as a mediator, that gave an effect of 21.2% on the relationship of TDI and tourist loyalty. Kim and Yoon (2003) assert that

destination image is vital for the development of a destination and to identify tourists' opinions and behaviour. The two variables are basically acknowledged as crucial elements in achieving destination competitiveness (Bigne et al., 2001; Yoon & Uysal, 2005). In other words, TDI is closely linked to tourist loyalty, which results in the positioning of a destination in the market. Also, studies have identified destination image as an influence on tourist intention to revisit, choose or recommend the destination (Assaker, Vinzi & O'Connor, 2011; Hosany & Prayag, 2013; Hunt, 1975; Pearce, 1982; Wu, 2016; Zeugner-Roth & Žabkar, 2015). Hence, the findings of this study are in line with the discussions from past literature proving that there is a relationship between the variables. In order to facilitate the image formation of a destination, tourist attraction must exhibit unique elements of Perhentian Island that are preferred by tourists to be able to stimulate continuous interest, which subsequently attracts future visitation and encourages positive recommendation to friends and family.

In the context of quality of tourism experience and tourist loyalty, the mediation analysis was not conducted given the violation of the Baron and Kenny's (1986) conditions. The clear violations existed between the two variables as there was no regression equation that was statistically significant in order to fulfil the third condition before proceeding with TDC as the mediating variable. However, the finding of the current study contradicts the literature, which that established a positive relationship between tourism experience and tourist loyalty (Mansour & Ariffin, 2017). This is supported by Cossío-Silva, Revilla-Camacho and Vega-Vázquez (2018, p. 3): "*the consequences of satisfaction with a tourist experience are basically an increase in the intention to return to the destination as well as recommending it to third parties*". The relationship of the two variables are positively associated by the scholars, but the results are different for the current study. This might be that in the context of Perhentian Island, tourists perceived differently in terms of the quality of tourism experience and tourist loyalty.

According to Oppermann (2000), gaining tourist loyalty can be challenging considering the past tourist experiences and how often it occurs. This is because the travel experience is contributed to by many elements that have no direct relationship to any specific service. These elements are the combination of

inherent factors and associated satisfaction concerning to acquired and consumed services during the experience (da Costa Mendes, Oom do Valle, Guerreiro & Silva, 2010). It is argued that tourists have low tendency to be loyal to a destination (Kozak, Huan & Beaman, 2002) and may not want to revisit in order to gain new experiences at other destinations (McDougall & Munro, 1994).

From this, it is evident that there are complexities in terms of identifying, quantifying and understanding the factors that explain tourist loyalty. Bearing this in mind, the dynamism of tourism sector further complicates in achieving this especially in the context of island destinations. For instance, island hopping provided at Perhentian Island (TPRG, 2015) might be a useful explanatory factor in understand the many layers of tourist loyalty. Given the short distance between the islands in other parts of Malaysia, the tourists have wealth of options to choose from and gain new experiences. Therefore, it is suggested that Perhentian Island needs a specific focus on niche and competitive products especially at an age where the market is increasingly dominated by the requests for tailored experiences (Sundbo, Orfila-Sintes & Sorensen, 2007). In other words, the demand for these types of products where it involves memories and emotions can only be achieved by a strong collaboration that is innovative.

As can be seen in numerous parts of this thesis, it can be safely concluded that such collaboration is still in its infancy given the gap of expectations in terms of promotions, operational strategies and infrastructures in managing Perhentian Island between the stakeholders. Considering the absence of such collaborations and strong niche products, it is postulated that tourists might perceive all the islands in Malaysia as similar and homogenous. Subsequently, this may explain the lack of significant relationship between the tourist experience and loyalty in the study.

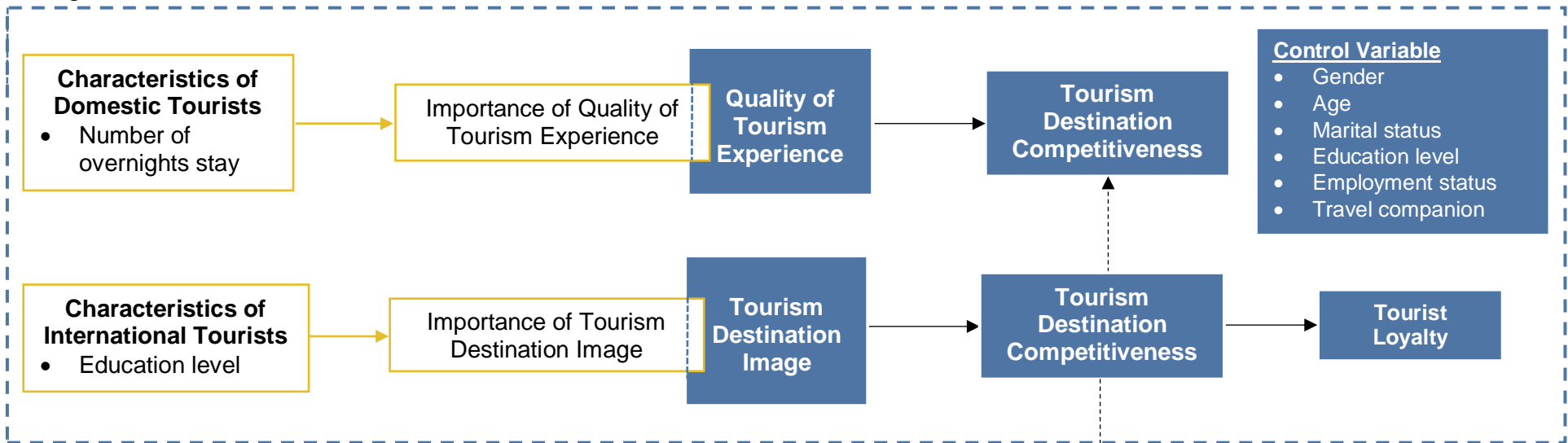
9.3 CONVERGENCE OF QUANTITATIVE AND QUALITATIVE RESULTS

This section further discusses the convergence of the quantitative and qualitative results from the discussed research objectives above. Figure 9.3 displays the overall convergence of the research model, which shows connection or linkages of each of the conducted analysis for the main research variables.

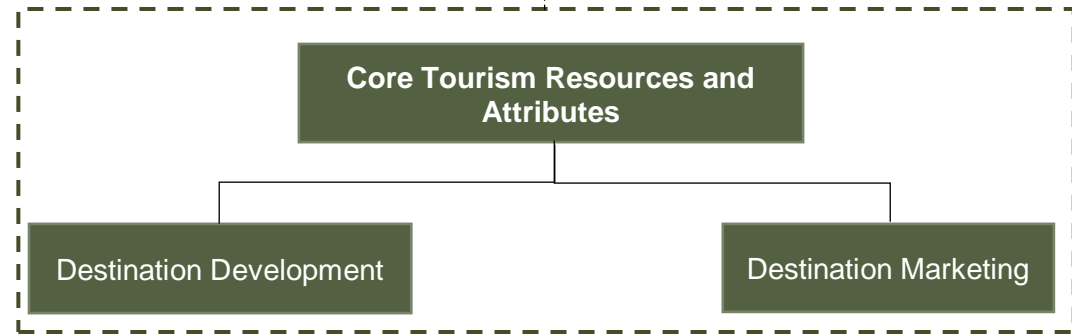
From the research model in Figure 9.3, the direction of the model begins with characteristics of the tourists visiting Perhentian Island. The relationship involving three different segments of tourist demographic profile, travel profiles and decision-making process was tested through the non-parametric tests of Kruskal Wallis and Mann-Whitney U to identify the segments importance in relation to the quality of tourism experience and TDI. The direction of the model shows the input of the variables that were statistically significant from domestic tourists (number of overnight) to quality of tourism experience and from international tourists (education level) to TDI.

The direction of the arrows proceeded to answer the fourth research objective, with hierarchical regression analysis conducted on the variables of quality of tourism experience, TDI, TDC and tourist loyalty. The direction first shows the statistically significant relationship between the two independent variables with TDC. Tourism experience and image formation made by the tourists contribute to destination competitiveness. Hence, the behavioural intention by the tourists was identified as revealing that TDC is a mediator between TDI and tourist loyalty. It is indicated that the relationship of TDI and tourist loyalty can be strengthened by positive destination competitiveness. However, the analysis of the mediating effect of TDC on the relationship between quality of tourism experience and tourist loyalty was not conducted due to the violation of the condition established by Baron and Kenny (1986) as discussed in Section 8.5.3.

Figure 9.3 - Research model



	Tourist input
	Tourism Stakeholders input
	Variable(s) involved in Mann-Whitney U and Kruskal Wallis analyses
	Signifies the statistically significant relationship from the analyses of Mann-Whitney U and Kruskal Wallis tests
	Variable(s) involved in hierarchical regression analysis
	Signifies the statistically significant relationship from the analysis of hierarchical regression analysis
	Themes from the qualitative thematic analysis
	Signifies qualitative findings from stakeholder interviews



Source: Author

The final part of the model involved the measurement for the TDC attributes that were obtained from the semi-structured interviews with the government tourism agencies. The input of the interviews pertaining to destination competitiveness by the tourism stakeholders also obtained segments of destination and marketing development of Perhentian Island. The inputs from the government tourism agencies suggested data needed to inform the TDC in the model. The integration of the input allows the researcher to identify the TDC factors relevance to the island destination particularly for Perhentian Island. As discussed in Section 8.2.2, the research revealed their relative importance with a ranking established from the quantitative study. This is further highlighted in Table 9.1 on the top five variables identified by the tourists and tourism stakeholders. The result draws out key factors for optimal resource allocation and to support destination management to enhance competitiveness.

The overall proposed island destination competitiveness framework depicts interactions that encompasses TDC element with other variables of quality of tourism experience, TDI and tourist loyalty to achieve island competitiveness. In comparison with Ritchie and Crouch's (2003) model as the most utilized model for TDC, this study emphasises area for improvement from the convergence that focuses on the island setting. Table 9.2 summarises the two framework and their differences/similarities. Even though the two models emphasise on the *core tourism attractors and resources* of a destination, it can be observed that the island competitiveness model highlights on specific elements that represent destination of an island. This is similar to the *destination image* factors that the proposed model identified as an important variable to identify competitiveness of an island destination. The differences are aimed to enhance the tourism attractiveness that belongs to the destination. In terms of the *destination marketing and development*, the relevance of the element is for the public and private stakeholders. The inputs provide an understanding of the realities of developing a vulnerable and economically dependent island destination. This was highlighted from the discussion in the qualitative study that include the challenges of building necessary infrastructures to support an entire structure of the development. By this, it also provides factors that incorporate marketing activities that include the sensitivity of island destination.

It can be noted that there are similar aspects appeared to be on the *supporting general infrastructure* and *conditional factors*. However, the island competitiveness model takes into consideration of factors that are relevant to the destination such as quantity and quality of public infrastructure, ICT infrastructure and geographic location. Moreover, the island competitiveness model is oriented towards supply (tourism stakeholders) and demand (tourists) perspectives which is in contrast to Ritchie and Crouch model that is more supply-oriented. This is in line with the previous TDC studies that look into the supply side of the destination that disregarded the demand side (see, for example, Kovačević et al., 2018; Blanco-Cerradelo et al., 2018; Armenski et al., 2018; Ayikoru, 2015; Dwyer et al., 2014). Therefore, the importance of including perspectives of stakeholders and tourists in provide better understanding on destination competitiveness is clear. Particularly, this allow the destination authorities and managers to strategically establish competitive advantage against their competitors based on the tourists' inputs (Caber et al., 2012).

Ultimately, the model of island destination competitiveness depicts an explicit interlinkage of variables (quality of tourism experience, TDI, TDC, tourist loyalty) to identify the competitiveness of a small island that is similar to Perhentian Island. The TDC factors signify elements that distinguish Perhentian from other destinations for instance island appeal, the community and natural surroundings. The framework assesses the complexity of destination competitiveness perceived by stakeholders and tourists to ensure the well-being of the community and environment as the highlights of the island destination.

Table 9.2 - Comparison Ritchie and Crouch's (2003) model to island competitiveness model.

Ritchie and Crouch (2003) model	Island competitiveness model
Core Resources and Attractors Physiography and climate Culture and history Mix of activities Special events Entertainment Superstructure	Core tourism attractors and resources Natural environment Island appeal Events Activities Hospitality Tourism infrastructure
Destination management Marketing Organization Information/research Human resource development Finance and venture capital Quality of service Resource stewardship Visitor management	Destination marketing <u>Competitiveness</u> Main competitors TDC factors <u>Consumer behaviour and segmentation</u> Existing and new markets <u>Marketing strategy</u> Types of marketing Measuring and monitoring success
Destination policy, planning and development System definition Philosophy/values Vision Positioning/branding Development Competitive/collaborative analysis Monitoring and evaluation	Destination development <u>Management</u> Role of tourism government agencies Stakeholders cooperation Leadership Financial management <u>Economic Development</u> Accessibility Price Infrastructures <u>Sustainable Tourism Development</u> Pollution Conservation of natural habitats and of wild fauna and flora
Supporting factors and resources Infrastructure Accessibility Hospitality Facilitating resources Enterprise	Supporting general infrastructure Quantity and quality of public infrastructure ICT infrastructure Accessibility Hospitality
Qualifying and amplifying determinants Safety/security Cost/value Awareness/image/brand Interdependence Location	Conditional factors Geographic location Safety and security Cost/value Destination image Cultural and historical attractions Culturally diverse

	Variety and good quality of accommodation Services Accessibility Exotic and beautiful beaches Favourable overall destination image
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Source: Author

9.4 LIMITATIONS

The final analysis of the study has fulfilled a set of objectives and contributed to the body of knowledge particularly in island tourism competitiveness. The study established a TDC model that provides critical formulation and implementation of successful competitive strategies to pursue competitive priorities. This is to ensure that the resources are leveraged to their best potential to create the unique capabilities to meet the tourists' preferences and demand. The findings can provide a sound foundation for similar research settings and development for further research work. However, the study has limitations that were encountered during the research process.

The first limitation that needs to be highlighted relates to the **data collection process**. Since the researcher was on a scholarship provided by Malaysia's Ministry of Education, the time period allowed for data collection was strictly three months. The data collection period for tourist respondents on-site was also severely restricted both by time and financial constraints. The selected data was also limited to weekends in order to obtain more respondents since the data collection could not be done in a comfortable timeframe. This may limit the generalisability of the study results as it was during Malaysia's school holidays, which is a very popular time for domestic tourists to visit the island.

The second major limitation is the obtained **sample size on the after-trip reflection phase**. As discussed in **Chapter 8 (Section 8.4)**, the sample size gathered on the after-trip phase was only 11 respondents out of 190 that agreed to answer the follow-up questionnaire. This phase was examined separately as suggested by Meng (2006), whereby the examining of a different phase in time reflects the actual behaviour on the tourism experience. However, this became one of the critical issues as this study was not able to receive a better sample

size for the after-trip phase. Some of the tourists that agreed to the follow-up were not able to be contacted because the email address received were not active or legible.

Besides considering the segments of tourists and tourism stakeholders, this study could be expanded further in future research to include **villagers' perceptions of tourism**. As stated by Leisen (2001, p. 62), this is to take into account "the role residents play in shaping tourists' perceptions of a destination". This is crucial as the villagers rely heavily on the tourism industry to earn their income and for job opportunities on the island. Despite that the information gathered from the chairman of JKKK was to obtain insights on behalf of the villagers, the voice of the villagers as a whole were not presented, particularly those who are not a member of the committees.

Apart from this, it is interesting to note the limitation on the **construct of the model and data analysis**. The mediating effect of TDC result was statistically significant but it did not exhibit a strong relationship. Also, there was no relationship between quality of tourism experience and tourist loyalty. This contradicts past literature (e.g. Cetin & Bilgihan, 2016; Chen & Chen, 2010; Kang, Scott, Lee, & Ballantyne, 2012; Xu & Chan, 2010) that exhibits the significant role of quality of tourism experience as a contributor to tourists' perception of value and satisfaction, which subsequently influences tourist loyalty (as cited in Moon & Han, 2018). This could be due to the context of Perhentian Island tourists or the construct of the variable and its selection of observed indicators.

9.5 FUTURE RESEARCH

Given the limitations addressed, there are several research opportunities for future investigation in the area of the study. These implications are discussed in this section.

In this study, one of the major setbacks was the time constraint given to the researcher for data collection. Therefore, if time permitted for future research, a longitudinal analysis is needed of the structural model of tourism destination competitiveness as it would provide a better understanding of the tourists,

destination competitiveness and performance. The main research findings can be explored in other island destinations such as those considered as competing destinations for Perhentian Island. The different perceptions and behaviours obtained can be a comparison with the current research setting.

In term of post-trip surveys, the response rate obtained was very low. In order to overcome this, future research may conduct the data collection at Kuala Besut jetty after tourists arrive back from the island to the mainland. The timeframe of the travel experience gather at the jetty would not include the flight back to the respective country or state. However, this has the potential to obtain completed questionnaires after the tourists have experienced Perhentian Island fully. Moreover, the use of incentives may also be important such as the use of computer-aided interviews, which may reduce the increase of illegibility of email addresses for researchers contacting tourists. There may also be the potential for the use of novel techniques investigating TDC through social media, for instance, an analysis of Twitter and Instagram data regarding Perhentian Island. This may give further insights into the experimental aspects of visits.

Accordingly, this study interviewed only the chairman of JKKK as a representative of the villagers from Kampung Pasir Hantu on Perhentian Island. It is recommended that by comparing information from the villagers with the respondents surveyed in this study, this may lead to different perceptions, attitudes and behaviours concerning the topics presented in this study.

Finally, the proposed model of the relationship was limited in construct and data analysis. Hence, future studies may consider including variables or items that may contribute to the construction of the model. The example of variables that can be added into the model are tourist motivation, involvement and satisfaction, given that there might be a significant potential link between these variables and TDC.

9.6 KEY CONTRIBUTIONS

9.6.1 THEORETICAL IMPLICATIONS

Many researchers have sought to analyse destination competitiveness from various perspectives such as through comprehensive frameworks (Dwyer & Kim 2003; Ritchie & Crouch 2003); competitiveness of single destination (Ayikoru, 2015; Chin et al., 2015; Cucculelli & Goffi, 2016; Dwyer et al., 2014); comparisons between two or more destinations (Martínez et al., 2014; Vila et al., 2015; Zehrer et al., 2017); and studies with an emphasis on specific attributes of competitiveness, namely price competitiveness, environmental competitiveness and business performance (Assaf & Dwyer, 2013; Barros, Botti, Peypoch, Robinot & Solonandrasana, 2011; Chin et al., 2014; Dwyer et al., 2000; Esparon et al., 2015; Hu & Wall, 2005).

Despite the increased attention devoted to this topic, there are still important theoretical gaps that can be analysed, the outcomes of which can be synthesised and built on for researchers, policy makers and industry practitioners. Based on this premise, this study has enhanced the current level of knowledge in the existing literature on tourism destination competitiveness by analysing the relationship between different phases of tourism experience, destination image, tourists perceived destination competitiveness and tourist loyalty. It is highly surprising that there is almost scant attention given by the tourism scholars in analysing these relationships within the field of TDC. Considering the crucial role of each of the variables proposed for this study in the formulation of marketing plans and consolidation of the tourism destination in today's highly competitive and dynamic market (Assaker et al., 2014; Assaf & Josiassen, 2012; Crouch & Ritchie, 2005). It is shown through the detailed review that there is yet to be a study conducted addressing all of these issues in one location. The study empirically validates that the quality of tourism experience and TDI positively influence tourists' perceived destination competitiveness. Also, it highlights that the influence of TDC as a mediating variable in the relationship between TDI and tourist loyalty was statistically significant.

In addition, the scope and context of this study involves perspectives of tourism stakeholders and tourists to assess the important attributes of TDC on Perhentian

Island. The incorporation of both perspectives is greatly important since the role of the stakeholders such as Tourism Malaysia Terengganu and Tourism Terengganu contribute to the main development and marketing activities of the tourism industry in Terengganu. It is therefore practical for researchers to identify these factors from the 'experts' to measure Perhentian Island's core tourism resources and attributes provided for the tourists apart from just adopting attributes from the previous literature. Furthermore, it is suggested that the study of island destination competitiveness will be informative not only from the experts' input but also the tourist involvement (Azzopardi, 2011) and this will heighten the destination's relative competitiveness model.

On the other hand, the detailed review results revealed that there is a lack of TDC research in the setting of Asian countries such as Malaysia, where about 50 percent of its niche tourism products are offered on islands (Tourism Malaysia, 2018b). In addition, Azzopardi and Nash (2016) also highlight the issue of a lack of research concentrating on comprehensive approaches to TDC especially in tourist destinations like small islands. For this reason, Perhentian Island was selected for this study's research setting to acknowledge the importance of the destination in the performance of the Malaysian tourism industry as well as to respond to the specific theoretical needs of TDC within the context of island tourism destination.

Since it was the aim and objectives of the current research to address all the issues highlighted from the results of the detailed review, the study made a significant theoretical contribution in the aspects of:

- Analysing the relationship across different phases of the tourism experience, TDI, TDC and tourist loyalty
- Examining TDC in an island setting
- The incorporation of perspectives from both stakeholders and tourists. The outcomes from this analysis provide a better understanding of TDC and a comprehensive construction of its model.

9.6.2 MANAGERIAL IMPLICATIONS

In terms of the key practical contribution, the findings establish the relationship between the development of destination resources, attractions and support competitiveness destination strategies. Core resources and attractors on Perhentian Island found to be most appealing to the tourists were identified. This provides guidelines for tourism stakeholders especially policymakers and decision-makers from the government agencies on resource allocation to improve destination competitiveness. The information retrieved, for instance, on the relative importance of TDC factors by the tourists will benefit the stakeholders to identify strengths and weaknesses as well as attributes that could enhance destination competitiveness on Perhentian Island. This is also to achieve a competitive advantage for the destination in value-creating strategy with the mediating effect result that shows TDC significantly influenced the relationships between TDI and tourist loyalty. Consequently, the stakeholders would benefit from promoting the appropriate image of the destination and receiving tourists that revisit or recommend to others.

TDC also plays a pivotal role in the development and marketing of Perhentian Island. This research shows that tourist on-site experiences particularly have the highest impact among all the phases of tourist experience. This suggests that tourism stakeholders need to emphasise providing and promoting high-quality accommodation, food, facilities, service, and a clean environment to offer a high-quality on-site experience. Similarly, emotional aspects of the on-site experience, such as pleasant communication with the staff and user-friendly guidance at the destination need to be highlighted. This is mainly because the on-site experience plays a bigger role in quality of tourism experience, which that influences the tourists' perceptions of the destination competitiveness.