

Factors Influencing Domestic Tourist Preference of Holiday Destination in Malaysia During the Covid-19 Pandemic: A Conceptual Framework

Chareen Loh Sing Chiet and Kamal Abd Razak

Abstract—The COVID-19 global pandemic has negatively impacted local tourism industries worldwide, including in Malaysia where the tourism industry contributes significantly to the country's economic income and employment opportunities. While sector has received regulatory financial assistance to sustain their business and retain employees, more market measures are needed to promote domestic tourism as the main vehicle for filling the tourist income gap from the decline in inbound international tourist arrivals. Similar previous studies were focused on business-as-usual conditions with unrestricted international travel, however there is a research gap focusing on tourism in Malaysia under current conditions of recovery from the impact of the COVID-19 pandemic. The purpose of this paper is to propose a conceptual framework to investigate affordability, quality of service, health and safety compliance and access to facilities and amenities and to better understand how these factors influence domestic tourist preference of holiday destination in Malaysia during the pandemic. A sample of 384 respondents from the Federal Territories of Kuala Lumpur and Putrajaya and the state of Selangor in Malaysia will be selected by using random sampling technique. Regression analysis will be conducted to assess the research hypothesis.

Index Terms—Domestic tourism, holiday destination, pandemic, recovery strategy, tourist preference.

I. INTRODUCTION

The COVID-19 global pandemic brought severe impact on the local tourism industries worldwide, including in Malaysia where the tourism industry is one of the main contributors of economic income and employment opportunities (DOSM, 2020) [1]. In addition to causing huge loss of human lives, the pandemic led to significant economic disruption when lockdowns, distancing measures and closure of borders significantly reduced the international flow of goods and services and simultaneously disrupted global supply chains (Liu *et al.*, 2020) [2]. In Malaysia, tourist income for 2020 plunged 85.3 percent to MYR12.69 billion from MYR86.14 billion in 2019 as international tourist arrivals declined by 83.4 percent due to the closure of Malaysian borders since March 2020 to curb the spread of the COVID-19 pandemic (Tourism Malaysia, 2021) [3].

Domestic tourism will provide a key opportunity to help the tourism sector recover from the economic impact of the pandemic particularly where the sector supports many

businesses and jobs (OECD, 2020) [4]. Domestic tourism is also the only leisure and recreation option for travelers in Malaysia especially as most travel experts do not see the possibility of global travel returning to pre-pandemic levels before 2023 (UNWTO, 2021) [5]. Contributing RM103.2 billion or almost 7 percent of GDP of RM1.5 trillion in 2019 (DOSM, 2020) [6], domestic tourism has the potential to contribute significantly to Malaysia's post-COVID-19 economic recovery. Boosting domestic tourism can also strengthen the readiness and capability of the local tourism sector to serve a larger volume of international tourists when inbound international travel subsequently resumes.

Tourism businesses would need demand-side information and insights to help rebuild consumer trust and to design products, services and marketing strategies that can generate subsequent demand for tourism services whenever interstate travel is allowed. The negative impact of the pandemic on the tourism sector has created a gap for studies to support the recovery strategy by examining tourist choice factors of holiday destination that can drive domestic demand for domestic tourism in Malaysia. Given that most existing studies on tourist behaviour were conducted under pre-pandemic business conditions and unrestricted international travel, the proposed study will focus on factors influencing domestic tourist preference of holiday destination in Malaysia during the COVID-19 pandemic. The aim of the study is to promote domestic tourism as the main vehicle for filling the tourist income gap from the decline in inbound international tourist arrivals and help tourism businesses to recover lost income and retain employees' jobs.

II. LITERATURE REVIEW

A. Impact of COVID-19 Pandemic on Tourism

According to Ioniță (2015) [7], tourism services as a segment of the global economy is highly sensitive to fluctuations in the world economy. Frequent fluctuations of the global economy over the past decade have exposed the tourism sector to risk of financial losses leading to the disappearance of a large number of tourist facilities, or restructuring and merging them to be able to deal more successfully with such market fluctuations. The fluctuations in the world economy caused by the outbreak of the COVID-19 global pandemic since December 2019 has impacted the tourism sector worldwide, including Malaysia where the tourism industry contributes RM240 billion or around 15.9 percent of the total Gross Domestic Product (GDP) in 2019 and employed 3.6 million persons or 23.6 per

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cent of the total employment (DOSM, 2020) [8]. Further to the regulatory assistance received from the government to survive the economic impact of the pandemic, tourism businesses and TSMEs also need to consider a longer-term strategy leveraging on domestic tourists who will re-direct their holiday plans and spending to local tourist attractions whose revenue has consequently suffered from the drop in inbound tourist arrivals and would be at risk of closure if the expected revenue continues to be insufficient to cover their operating overheads. This presents an opportunity to encourage domestic tourism as a recovery strategy for the tourism industry in Malaysia.

B. Domestic Tourism as a Recovery Strategy

Domestic tourism would play an important role in driving the recovery of the tourism sector, particularly in countries, regions and cities where the sector supports many jobs and businesses as international travel opportunities have become limited in the ongoing pandemic according to OECD (2020) [9]. The World Tourism Organization has called for urgent need to safely restart tourism, in a timely and coordinated manner in the interest of stimulating tourism recovery to protect jobs and businesses as well as to ensure tourists' well-being (UNWTO, 2020) [10]. The potential contribution of domestic tourism in Malaysia should not be ignored, as the 'Cuti-Cuti Malaysia' domestic holiday campaign launched by the Government since 2009 has encouraged domestic tourists to prioritize local holiday destinations and to travel during off-peak seasons, as well as to expose local tourism products and strengthen alliances and businesses in the sector (Tourism Malaysia, 2020) [11]. Since its launch, the campaign successfully increased domestic tourism in Malaysia, contributing RM103.2 billion or almost 7 percent of Malaysia's GDP of RM1.5 trillion in 2019 (DOSM, 2020) [12].

The tourism sector in Malaysia has a large opportunity to leverage on its vast tourism resources characterised by strong historical development and geography which create multiple attractions ranging from beaches, cities, culture, heritage, jungles, food, resorts, health, business and shopping (Nair and Thomas, 2013) [13]. To encourage domestic tourism in Malaysia, the Government is offering individuals income tax relief worth Malaysian Ringgit 1,000 for expenses made at tourist attractions and accommodation registered with the Ministry of Tourism, and the government, in collaboration with airlines, resorts, and hotels also offered discount vouchers for tourists starting March 2020 (ILO, 2020) [14].

C. Affordability

In the wake of the pandemic, it is important to consider affordability as an important factor in consumer choices. Based on the observation by Sheth (2020) [15] of how the pandemic has affected the way consumers buy and consume products and services, tourism businesses and TSMEs should likewise consider how the pandemic may have changed a domestic tourist's preference in choosing a holiday destination. As argued by Nicolau and Más (2007) [16], an individual would optimise purchase decision according to product price and available budget. Camilleri (2019) [17] agreed that many tourists travel on a budget and hence, may only consider accommodation that is affordable to them or within their price range. He also pointed out the impact of

lower prices for holidays to particular destinations on the increase in the number of travelers and observed tourist behaviour of booking well in advance of their travel dates to enjoy significant reduction in travel costs especially among frugal tourists (*Ibid*).

Garača et al (2018) [18] pointed out that the effect of prices on domestic tourism demand is particularly evident in developing countries with low average salaries. Although prices can have a significant effect on the choice of tourist destination, the relationship between the prices and tourist demand drivers may not be straightforward as various other factors in the tourism industry also influence the decision on a tourism trip (*Ibid*). Omerzel (2011) [19] suggested that other than price and income, marketing and promotional efforts, tourist demand can also be driven by cost of living at the destination and special events. Oosthuizen and Ferreira (2019) [20] emphasised the importance of understanding that perceived cost or value is not just about low pricing, but the price should correspond with the quality of the products at a destination. This study attempts to provide a better understanding of affordability and how it affects domestic tourist preference of holiday destination in Malaysia, particularly in the midst of the ongoing COVID-19 global pandemic.

D. Quality of Service

Quality of service refers to the consistent delivery of products and services according to expected standards of tourists at the holiday destination (Kapiki, 2012) [21] and is also a key relevant factor that influences tourists in choosing a holiday destination, according to Blazquez-Resino and Gołab-Andrzejak (2017) [22]. According to Quinlan Cutler and Carmichael (2010) [23], if the quality of a specific tourist product or service meets expectations, then the consumer is satisfied, while poor quality products and services can lead to negative attitudes towards the destination. From the customer's point of view, the quality of service is defined as the assessment of the services experienced relative to their expectations. As perceived quality is a subjective criterion, different consumers will prioritise some qualities over others when choosing to buy products and services as pointed out in the Kano Model (Sari, 2019) [24] and therefore, the provision of reliable, responsive and highly customised services to visitors contributes to quality of service according to Oosthuizen and Ferreira (2019) [25]. In this regard, the study will explore the interrelationship between the quality of service as a factor that can influence domestic tourist preference of holiday destination in Malaysia.

E. Health and Safety Compliance

In the midst of the ongoing COVID-19 pandemic, it is important to address any public fears to maintain tourist confidence to undertake domestic tourism activities. In a study undertaken in pre-pandemic conditions, Imbeah (2018) [26] had identified tourists' safety concerns to include overcrowding in facilities, lack of good policing practice, very high cost of living, poor publicity about tourism crime and poor management of tourism facilities. The health and safety compliance factor have become more significant as pointed out by the Theory of Buyer Behaviour alluding that consumption habits can be driven or disrupted by four major contexts including: life events; technology; rules and

regulations; and ad-hoc natural disasters (Sheth, 2020) [27]. The COVID-19 pandemic is deemed as a form of natural disaster disrupting domestic tourism and to restart domestic tourism safely, tourism businesses need to be aware of tourists' increasing concerns on protecting their health while enjoying their holiday.

In the midst of the COVID-19 pandemic, hotels and tourism operators are also required to adhere to specific prevention protocol and standard operating procedures (SOPs) to contain the spread of COVID-19 according to the guidance provided by the World Health Organisation including cleaning, disinfection and sanitisation of premises as well as physical distancing, avoiding touching eyes, nose and mouth, cough and sneezing etiquette (respiratory hygiene), use of medical or fabric masks by staff when interacting with customers (WHO, 2020) [28]. This study aims to explain the relationship between health and safety compliance and domestic tourist preference of holiday destination in Malaysia.

F. Access to Facilities and Amenities

A tourism location is formed from the integration between attractions, accommodation and supporting facilities that are presented in the local community life structure that is integrated with local wisdoms and traditions by Dzulkifli and Masjhoer (2020) [29]. Access to an acceptable level of facilities and amenities at the local holiday destination is important to most tourists as they spend time away from their customary place of residence as suggested by Truchet et al (2011) [30]. A holiday destination that provides access to facilities and amenities can increase tourist confidence and create positive tourist experience, and as explained by Allan (2013) [31], the Push and Pull Theory forms demand for tourism activity as tourists' push motives of escape, relaxation and social interaction are attracted by pull motives of the novelty and education experiences.

Ashishparthasarathy et al (2020) [32] outlined vital tourist destination amenities to include: food and beverage (restaurants, café, bar, etc); financial transactions (bank, ATM, foreign exchange, digital payments, etc); and communication (telephone, good reception for mobile phone, Internet, etc.). In terms of inbound transport connectivity, Wang and Jin (2007) [33] pointed out that surveys of air passengers indicate that convenient and rapid access to an airport is an important component of satisfaction with the overall travel experience. Authors Sukmawati et al (2018) [34] also pointed out that expectations on facilities and amenities in tourism can differ across market segments based on income levels. The study therefore seeks to establish the linkage of access to facilities and amenities and the domestic tourist preference of holiday destination in Malaysia.

III. CONCEPTUAL MODEL

This study integrates the review and discussion of the relevant literature into a conceptual framework set out in Fig. 1. This research intends to study the factors of affordability, quality of service, health and safety compliance and access to facilities and amenities with domestic tourist preference of holiday destination.

The following proposed conceptual framework aims to

explore the relationships among the four independent variables that affect domestic tourist preferences for a holiday destination in Malaysia.

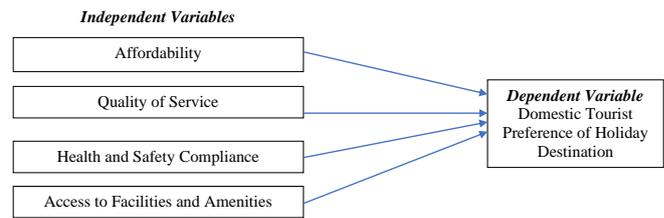


Fig. 1. Conceptual framework.

The following hypotheses were developed for this study:

Hypothesis 1: There is a significant relationship between affordability and tourist preference of holiday destination.

Hypothesis 2: There is a significant relationship between quality of service and tourist preference of holiday destination.

Hypothesis 3: There is a significant relationship between health and safety compliance and tourist preference of holiday destination.

Hypothesis 4: There is a significant relationship between access to facilities and amenities and tourist preference of holiday destination.

IV. CONCLUSION

Factors that influence the preference or choice of holiday destination by tourists have been well researched from various perspectives from time to time. However, the foregoing literature review suggests that the factors may have been affected by the social, health and economic impact of the COVID-19 global pandemic. A conceptual framework is developed to analyze the main variables that would affect domestic tourist choice of holiday destination in Malaysia. The researcher is aware of the various studies on the different factors conducted before the pandemic started in late 2019. However, there is a gap in more recent research to validate these variables following the impact of the COVID-19 pandemic on domestic tourist preference in Malaysia. This study therefore has significant implications for research to encourage domestic tourism as part of the tourism recovery strategy for Malaysia.

This study aims to encourage further research on recovery strategy especially for the tourism industry, and to validate the components set out in the conceptual framework. The outcomes and insights from this study can provide critical information to tourism businesses and TSMEs to design their products and services. This research examines how domestic tourist perception in terms of affordability, quality of service, health and safety compliance, and access to facilities and amenities affects their preference and choice of holiday destination in Malaysia. An effective marketing strategy by tourism businesses supported by policies and programs by the Government based on such insights would enable tourism businesses and TSMEs to attract consumers to purchase their goods and services. This study could also benefit the consumers in Malaysia by broadening their local travel options since international travel opportunities are expected

to be limited for some time until the pandemic ends.

CONFLICT OF INTEREST

The authors declare no conflict of interest.

AUTHOR CONTRIBUTIONS

Chareen Loh and Dr. Kamal Abd Razak jointly developed the conceptual model. Chareen Loh Sing Chiet conducted the literature review and wrote the paper. Both authors worked jointly to develop the proposed hypothesis for this study. The authors have approved the final version.

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