

INTI INTERNATIONAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

MOTIVATIONS OF CHINESE TOURISTS TO CHOOSE MALAYSIA AS THE PREFER TOURIST DESTINATION

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ABSTRACT

Tourism industry is now recognized as one of the important industry which is experiencing growth and able to survive in the midst of economic crisis. So many countries are currently vying each other to promote their respective tourism industries as one of the source country's income, especially for Malaysian government where the tourism industry has emerged as the country's second largest revenue earner after manufacturing. In 2013, there is about 97 million Chinese tourists went abroad, which is the biggest outbound market in the world an after 2012, Chinese travelers became the world's biggest spenders, who can bring more than \$1,000 for the tourism destination. However, based on record of arrivals from China in recent years, the growth rate shows a downward trend. After incident of MH370, there are fewer Chinese tourists will choose the Malaysia as their tourism destination. Therefore, the objective of this research is to get a better understanding on what Chinese tourists' motivation towards Malaysia as a tourism destination and how influence factors impacting on Chinese tourists to choose the tourism destination. The influencing factors that are implemented in this research are Novelty Seeking, Stress Busting/Fun, Achievement and Financial Incentives. Questionnaires are disseminated to 300 Chinese tourists who had a travel experience in Malaysia and several SPSS software has been used to analyze the results. The results show that overall factors have a positive influence toward choosing the Malaysia as the tourism destination. Further recommendations and discussions of the results for further research are also provided.

Keywords: *Tourists' Motivation, Malaysian tourism industry, Tourism Destination Choice, Novelty Seeking, Stress Busting/Fun, Achievement, and Financial Incentives*

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Yu Jiyao

Date: 27th August 2014

DECLARATION

"I hereby declare that this research project is of my own work except for those summaries and information of which the sources are clearly specified."

Yu Jiyao

Date: 27th August 2014

Table of Contents

List of Table.....	VII
List of Figure	IX
List of Abbreviations	X
CHAPTER ONE INTRODUCTION.....	11
1.1 Background	11
1.2 Problem Statement.....	13
1.3 Research Question.....	18
1.4 Research Objective	19
1.5 Significance of the Research.....	19
1.6 Limitations.....	20
1.7 Scope of Study.....	20
1.8 Outline of Report.....	21
CHAPTER TWO LITERATURE REVIEW AND HYPOTHESIS.....	22
2.1 Tourism Destination Choice.....	22
2.2 Motivation of Travel	23
2.3 Travel Motivation Research on Chinese Outbound Market.....	24
2.4 Tourism in Malaysia	26
2.5 Conceptual Framework	27
CHAPTER THREE RESEARCH METHODOLOGY	28
3.1 Research Design	28
3.2 Sample Selection.....	29
3.3 Sampling Techniques	30
3.4 Validity and Reliability Test.....	30
3.5 Measuring Instrument	31
3.6 Study Population.....	31
3.7 Data Collection.....	32
3.8 Data Analysis	32
CHAPTER FOUR FINDINGS AND DISCUSSIONS	33

	V
4.1 Introduction	33
4.2 Descriptive Analysis	33
4.2.1 Socio-Demographic Data	34
4.2.2 Visiting Characteristics Demographic Data	38
4.2.3 Summary of Descriptive Analysis	42
4.3 Factor Analysis	47
4.3.1 Summary of Research Objective and Research Hypothesis	47
4.3.2 Measurements and Interpretation of KMO Value and Bartlett's Test	48
4.3.3 Factor Analysis on Independent Variables	49
4.3.4 Factor Analysis on Dependent Variable	55
4.4 Reliability Analysis	56
4.4.1 Reliability Testing on All Variables	56
4.4.2 Reliability Testing on Independent Variables	57
4.4.3 Reliability Testing on Dependent Variable	58
4.4.4 Summary of the Reliability Testing	58
4.5 Data Analysis	59
4.5.1 Cross Section	59
4.5.2 Correlation Analysis	65
4.5.3 Multiple Regressions	72
4.6 Summary of Hypothesis Results	75
CHAPTER FIVE CONCLUSION, RECOMMENDATION, AND PERSONAL REFLECTIONS	76
5.1 Chapter Summary	76
5.2 Conclusion	76
5.3 Recommendations	79
5.3.1 Product Strategy	79
5.3.2 Promotion Strategy	81
5.3.3 Integrated Marketing	83
5.4 Implications for Future Research	85
5.5 Personal Reflection	86

	VI
REFERENCES	87
APPENDIXES.....	97
Appendix 1: SPSS Data for Factor Analysis.....	97
Appendix 2: SPSS Data for Reliability Analysis.....	107
Appendix 3: SPSS Data for Cross Section	115
Appendix 4: SPSS Data for Correlation Analysis.....	119
Appendix 5: SPSS Data for Multiple Regression Analysis	121
Appendix 6: Questionnaire (English)	122
Appendix 7: Questionnaire (Chinese).....	126
Appendix 8: Initial Research Paper Proposal	130
Appendix 9: Turnitin Result	138
Appendix 10: PPT of Project Presentation.....	139
Appendix 11: Form Ethic.....	140
Appendix 12: Ethics Approval Notification	141
Appendix 13: Permission Letter	142
Appendix 14: Project Paper Log.....	143

List of Table

	Page
Table 1.1: The numbers of Chinese tourists come to Malaysia from 2007 to 2013	14
Table 3.1: Research Method Scheme	28
Table 3.2: Empirical Support of Sample Size	29
Table 3.3: Questionnaires Empirical Support	31
Table 4.1: Top Five Preferred Destinations in Malaysia	41
Table 4.2: Summary of Socio-Demographic	42
Table 4.3: Summary of Visiting Characteristics Demographic Data	45
Table 4.4: Summary of Research objectives and Research Hypothesis	48
Table 4.5: Acceptance Level of KMO Value	48
Table 4.6: Summary of Factor Analysis on Novelty Seeking	49
Table 4.7: Summary of Factor Analysis on Stress Busting/Fun	51
Table 4.8: Summary of Factor Analysis on Achievement	52
Table 4.9: Summary of Factor Analysis on Financial Incentives	53
Table 4.10: Summary of Factor Analysis on Tourism Destination Choice	55
Table 4.11: Reliability testing on all variables	57
Table 4.12: Reliability testing on independent variables	57
Table 4.13: Reliability testing on dependent variable	58
Table 4.14: Chi-Square Test for Type of Travel and Gender	59
Table 4.15: Crosstabulation for Type of Travel and Gender	59
Table 4.16: Chi-Square Test for Preferred Day in Malaysia and Monthly Income	60
Table 4.17: Crosstabulation for Preferred Day in Malaysia and Monthly Income	61
Table 4.18: Chi-Square Test for Preferred Expenditure in Malaysia and Age	62

Table 4.19: Crosstabulation for Preferred Expenditure in Malaysia and Age	62
Table 4.20: Chi-Square Test for Sources of Information and Marital status	63
Table 4.21: Crosstabulation for Sources of Information and Marital status	64
Table 4.22: Categorization of the scale of correlation coefficient	65
Table 4.23: Correlation of Novelty Seeking with Tourism Destination Choice	66
Table 4.24: Correlation of Stress Busting/Fun with Tourism Destination Choice	67
Table 4.25: Correlation of Achievement with Tourism Destination Choice	68
Table 4.26: Correlation of Financial Incentives with Tourism Destination Choice	69
Table 4.27: Summary Results of Pearson Correlation	70
Table 4.28: Summary results of hypothesis	71
Table 4.29: Model Summary of Novelty Seeking, Stress Busting/Fun, Achievement and Financial Incentives on Tourism Destination Choice	72
Table 4.30: ANOVA test of Novelty Seeking, Stress Busting/Fun, Achievement and Financial Incentives on Tourism Destination Choice	72
Table 4.31: Coefficient of Novelty Seeking, Stress Busting/Fun, Achievement and Financial Incentives on Tourism Destination Choice	73
Table 4.32: Summary of Hypothesis Results	75

List of Figure

	Page
Figure 1.1: Number of Chinese overseas Travelers and expenditures	13
Figure 1.2: The Growth rate of Chinese arrivals to Malaysia	15
Figure 1.3: The result for Chinese polled say MH370 has influenced whether they will visit Malaysia	16
Figure 2.1 Research Framework of Motivations of Chinese Tourists to choose Malaysia as the prefer tourist destination	27
Figure 4.1: Pie Chart for Gender of Respondents	34
Figure 4.2: Bar Chart for Age of Respondents	35
Figure 4.3: Pie Chart for Marital Status of Respondents	35
Figure 4.4: Pie Chart for Education Level of Respondents	36
Figure 4.5: Bar Chart for Occupation of Respondents	36
Figure 4.6: Pie Chart for Monthly Income of Respondents	37
Figure 4.7: Pie Chart for Current Residence in China of Respondents	38
Figure 4.8: Pie Chart for Type of Travel	38
Figure 4.9: Bar Chart for Preferred Day in Malaysia	39
Figure 4.10: Bar Chart for Preferred Expenditure in Malaysia	40
Figure 4.11: Pie Chart for Sources of Information	40
Figure 4.12: Summary of Hypothesis	71

List of Abbreviations

GDP	Gross domestic product
F1	Formula One
TPB	Theory of Planned Behavior
SPSS	Statistical Package for Social Science
KMO	Kaiser-Meyer-Olkin
KLIA	Kuala Lumpur International Airport
MSA	Measures of Sampling Adequacy
NS	Novelty Seeking
SBF	Stress Busting/Fun
A	Achievement
FI	Financial Incentive
TDC	Tourism Destination Choice

CHAPTER ONE INTRODUCTION

1.1 Background

In most researches said that the development of economy and progress of society, tourism industry has been increasingly becoming an important role in contribution of foreign exchange earnings for most of country. Furthermore, with the flourishing of tourism industry, it will also provide much more employment opportunities for local people and also keep the rate of unemployment at the low level. Meanwhile, to do better of the tourism in each country, it will bring more advantages in contributions, like increasing the revenue, economic growth, savings, investment and business activities. What's more, a good tourism industry could bring more benefits for other industries, like transportation and retail (Hui, et al., 2007).

The data from the Tourism Malaysia in 2013, we could see there were more than 25.7 million tourists arrived of Malaysia, which brought more than RM 65 billion revenue for the Federal Government of Malaysia (TOURISM MALAYSIA, 2014). Meanwhile, the estimation of Federal Government revenue of Malaysia will be more than RM208.6 billion (MINISTRY OF FINANCE MALAYSIA, 2012). It indicates that the revenue of tourism industry has played an important role in the contribution of GDP for Malaysian government where it occupied about one third of the government revenue. So that in order to attract more attention of tourists from the world, Malaysia has increased its effort to let more and more people to choose the Malaysia as the tourism destination by organizing various events such as F1 in Sepang and other promoting ways of attraction.

Based on data from the TOURISM MALAYSIA from 2003 to 2010, we could easily find out the figure of tourists travel to Malaysia has shown a declining

growth of tourists visit (TOURISM MALAYSIA, 2014). Therefore, in order to avoid the decline and wants to reverse this situation, the government has undertaken some ways to attract some tourists' attention, such as enhancing facilities and services, international influence, updating the hardware etc. All these actions can be ascribed to the external factors for the tourism industry of Malaysia. Actually, to investigate the factors from the tourism will be more benefit to build top ten of the world tourist destination for the Malaysia.

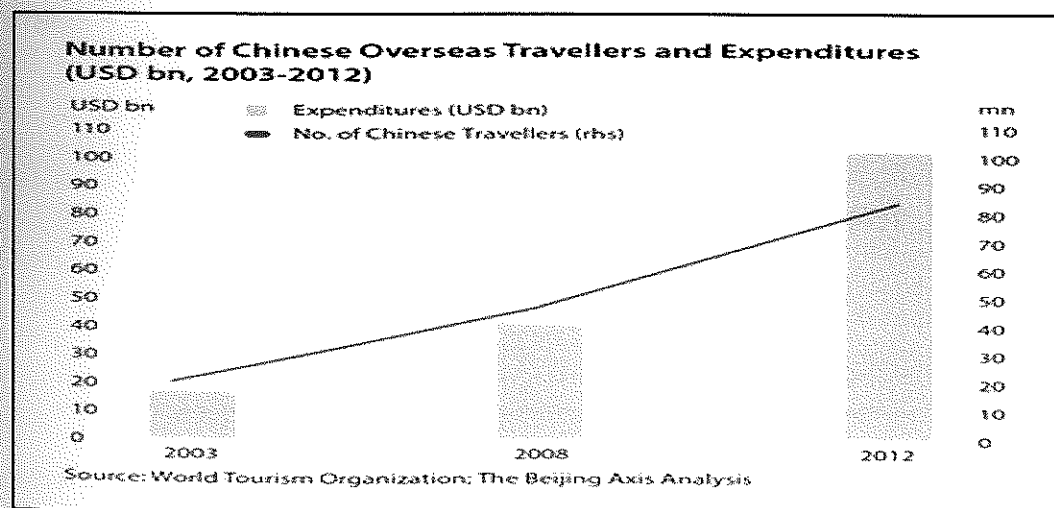
Some previous studies examined the factors of influence tourism destination from the tourists, all studies reported there is some relationship between some internal factors of tourism and destination attractiveness. This study was conducted the Chinese tourists in Malaysia. As we know, the tourism of China has an earth-shaking changes and expansion over the past few decades, which includes the tourism in domestic and travel on abroad. Currently, with the growth of tourists travel abroad, China has been the largest for overseas travel (Wanli, 2014). Although the tourists of China have become the most potential market in the world and much more literature reviews of tourism study the tourism market of China, there are a few empirical studies to examined Chinese tourists, especially to investigate their tourists' behavior. In the past, the majority of studies on the relationship between the choice of destination and tourist's behavioral intention was surveyed in the western countries and all the findings would not apply all for the Chinese tourists. So that the main contribution of this study could enrich the literature of visitors by examining factors which impact the choice of tourists' destination from the Chinese tourists. Meanwhile, this study will collect the data from a popular tourist destination --- Malaysia, known among Malaysia as a great resort, especially in winter. As a tropical country, Malaysia lies in the southern east of Asia. The awareness of Malaysia from Chinese tourists, they just know the label of Malaysia---Twin Tower and one famous city---Malacca. Actually, Malaysia has abundant tourism resources, like its

magnificent beaches (e.g. Redang, Langkawi), historical city (e.g. Malacca, Penang) and tax haven (Langkawi). Therefore, how to attract more Chinese tourists to choose the Malaysia as the prefer tourist destination and enhance the awareness of Malaysia will be a big project for the Federal Government of Malaysia, especially in the present, which the accident of MH370 missing.

1.2 Problem Statement

It is undoubted that the growth of economic globalization, competitions among enterprises have already changed from the original tangible resource like product, cost and so on turn to soft targets as well as the overall competition. Meanwhile, with the development of the world economy, the tourism has grown up rapidly, so that the competition between different tourism enterprises increased more fiercely than before, especially in some hot substantial increase in tourist destination countries or popular regions.

Figure1.1: Number of Chinese overseas Travelers and expenditures



Source: (Galvez, 2013)

In 2013, there are more than 94.3 million Chinese traveled abroad, up 17.3% (Wanli, 2014). Meanwhile, based on the Figure 1, we could see that since 2003, international tourism expenditure by Chinese tourists has increased almost fivefold with the number of Chinese travelers growing from 20 million to 83

million in 2012, which was based on the report of UNWTO. So that in 2012, each tourist from China can bring more than \$1,000 for the tourism destination (Raspor, et al., 2012).

Along with the growth of it, the number of Chinese travel to Southeast Asia has also increased rapidly, especially Thailand, Singapore and Malaysia. Meanwhile, although the statistics from the National Tourism Administration shows that there is 1.24 million Chinese tourists to choose Malaysia as the tourism destination in 2013 and increases by 9.3% (SwhengTee, 2014). However, compare with the figure of the neighbor countries --- Thailand (of more than 4 million (TAT NEWS, 2014) and exceeded 100% growth rate) and Singapore (at least 2 million (Xin, 2014) and increase about 27%). Therefore, we could see that the number of visitors from China toward Malaysia is the least. The Chinese people would like to visit Thailand among these three countries, and the number of arrivals is more than 4 million and to visit Singapore has already about 2 million (TRAVEL DAILY ASIA, 2014).

Table 1.1: The numbers of Chinese tourists come to Malaysia from 2007 to 2013

Year	Arrivals from China (Million)
2007	0.57
2008	0.62
2009	0.61
2010	1.03
2011	1.73
2012	1.37
2013	1.24

Meanwhile, Thailand has become China's Second-biggest tourist destination, except the US. In Thailand, they have a great natural landscape and unique culture product --- Thai Shemale and much more important is that the popular film "Lost in Thailand" had provide a free advertising for the Chinese. Furthermore, compare with the performance of tourists from China in recent