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Tourism Management in Kinabalu Park. An Analysis of nature of goods in meeting sustainable tourism

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Abstract. In nature-based tourism destination, sustainable tourism is a more responsible form of tourism seeks to minimize the undesirable impacts of tourism development in ecological sensitive areas apart from contributing to nature conservation. While these objectives must be achieved, it is also important to ensure a high level of tourist satisfaction which is central to the survival of tourism business. In protected areas, park management is traditionally a responsibility of public sector. While public sector is said to be in a better position in securing the interest of public, tourism business is not their forte but private sector due to the heavy bureaucratic nature of the former and the profit-driven nature of the latter. Kinabalu Park is a famous nature-based tourism destination in Malaysia for its flora diversity and splendid mountainous landscape. By borrowing the case of Kinabalu Park, this paper aims to reveal some arising issues in park management resulted from the involvement of private sector in protected areas based on the discourse on nature of goods and services.

Keywords: Sustainable tourism, protected area, public sector, private sector, nature conservation, tourist satisfaction

1.

Introduction

Sustainable tourism emerges alongside with the introduction of mainstream sustainable development. According to World Tourism Organisation [1], its development guidelines and practise are applicable to all forms of tourism in all types of destinations including mass tourism and the various niche tourism segments. Its sustainability principles focus on the three pillars known as environmental, economic and socio-cultural aspects of tourism development. Specifically in meeting its socio-economic principles, tourism is required to channel financial support to help in conserving natural heritages and biodiversity and to use the environmental resources at optimum level. Nevertheless, a high level of tourist satisfaction must be maintained by providing a meaningful experience for tourists.

2.

Management of goods and services in protected areas and the involvement of private sector

Protected area offers a wide range of goods and services to cater for many groups of beneficiaries such as scientists, educators and the community at large to meet their various needs [2]. Particularly, many protected areas are home to outstanding natural and cultural landscapes, which become the essential resources of tourism attraction. Understanding the nature of goods and services in protected areas will benefit its management as it is recognised that private and public goods and services require different governance arrangements [3][4]. In particular, it will guide the management in determining the sources of revenues to secure its existence. Watershed protection, climate stabilization and habitat protection are

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examples of public goods in protected areas. These public goods usually require grant funding mainly government allocation as it is not traded in markets and show no market value. On the

other hand, the private aspects of protected areas are accessible to private financing. Very often, tourism goods and services have a 'private nature' – either as private goods or toll goods, which have high potential for commercialisation. For instance, visitors are charged for consuming the tourism resources and facilities or participating in tourism activities. These include entrance fees to protected areas, user fees to botanical gardens, canopy walkways and interpretation centre, charges on chalets and hostels as well as food. Hence, the presence of tourism provides the economic incentive for protected area management to meet its nature conservation objective.

Traditionally, protected areas are managed by public sector. Recent years, however, there was a rising concern over the poor performance of public sector in delivering tourism expected benefits. These include satisfactory tourism services and facilities to meet tourist expectation, thereby stimulating employment creation and regional development at large. As market sensitivity is very crucial in tourism development, its bulky bureaucratic structure has limited the ability of public sector to respond quickly to market change [5]. Relatively, private sector is increasingly advocated for the management of tourism goods and services due to its profit-driven nature. Tourism is a business. The profit-driven nature derives from the fact that tourist demand generated in free market requires the tourism enterprises to be sufficient enough in producing a residual reward– a profit (meeting tourist demand thus satisfaction) - in order to survive in the market [6]. This condition prevents the corporate management from dissipating value and managers of private enterprises are forced to be more efficient than those in public sector. In addition, foreseeing the potential profits to be generated through tourism services, private sector thus perceives tourism as an 'incentive' to offer high standard of tourism services in meeting the tourist market expectation. At the same time, providing quality services at an acceptable price is important as the determinants of tourist satisfaction are quality services and pricing. Giving these incentives and restraints, the involvement of private sector stimulates an improved tourism overall performance where a series of benefits can be expected.

With such arrangement, the protected area will not only be able to improve the quality of its tourism services but the program will also enable the public sector to fully utilize its available human and financial resources to secure public goods and services. With the diversified management structure, a protected area will able to offer both public and private goods and services while receiving a viable financial return to support its long term existence, as required by some socio-economic principles of sustainable tourism.

Despite of these possible contributions, there is a concern over the coping ability of public sector to cope with new responsibilities after the introduction of privatization. As a change in institutional arrangement is required for privatization to take place, the shift of roles from the public to private sector also involves a change in perception in management [7]. The inability of an existing organisation to conceive a new perception on its new roles or new way of doing things is termed as paradigm blindness. For instance, the park authority in protected areas may have difficulty in conceptualizing and implementing a new range of goods and services suitable to nature conservation purpose. This may include species monitoring system, staff training, enhancing environmental education for the public etc. On the hand, concern is raised over the status of private sector involvement especially when they enjoy the monopoly status. This single provider in the market has a great deal of power over buyers. They are able to choose either the price or the quantity of the product to be offered for sale. Since they do not face price pressure from competitors, monopolists can raise prices charged thus increasing revenues [8].

Furthermore, they also tend to become less efficient over time because there is no competitor in the marketplace. Because of this, they are capable of acting against public interest especially in protected areas, where they are designated mainly for the welfare of general public.

3.

Management in Kinabalu Park

Kinabalu Park of Malaysia is managed by the Sabah Parks Board of Trustees (or Sabah Parks for short) since its establishment in 1964 [9]. This Type II protected area as per IUCN category system, is a popular tourism destination in the country, where visitors are drawn to its outstanding mountainous landscape and flora diversities. A privatization program was introduced to take over the management of accommodation facilities in Kinabalu Park in 1998. The private operator was known as Sutera Sanctuary Lodges (SSL). However, all tourism activities were still managed by Sabah Parks. The program aimed to improve the quality of tourism facilities in Kinabalu Park, to reduce the administrative, manpower and financial burden of Sabah Parks thereby enabling the organisation to focus on conservation activities as well as to provide job opportunities for local communities in tourism related business [10].

A study was carried out in Kinabalu Park by conducting interviews and questionnaire survey to identify the state of tourism development in the park in 2006. Park staff and personnel were interviewed and park visitor satisfaction level was determined through questionnaire cum interview survey totalling 400 samples. The efforts on conservation were determined through the breakdown of expenses, budget allocation for conservation and tourism activities, staff training and research activities. Other indicators include the existence of tourism impact management and also monitoring system. Level of satisfaction with tourism facilities and quality of guiding services and existence of visitor database and tourism demand studies were used for the discussion on visitor satisfaction.

The analysis results of the budget allocation to Kinabalu Park indicated that the park management has not shift its focus to nature conservation after the privatization program [7]. Tourism income generated in Kinabalu Park 1996-2005 was substantial, with an annual growth of 18.3% and contributed to more than half of the total income generated within the Sabah Parks system which consists of six marine and terrestrial parks within the state. However, the major part of the allocated budget was used for tourism-related development for instance, in 2005 (47% were for tourism-related development) instead of investing into research and education activities and for staff training. Besides, there was absence of a monitoring system to evaluate the ecological impacts of tourism especially along the summit trail since 1964 which facilitates more than 20% of the total park visitors (approximately 434,000) in 2005 only to ascend to the summit. Therefore, although Sabah Parks has introduced several tools such as creating honey pots, dispersing use, managing carrying capacity to control the human impacts in the park, the effectiveness of the existing tools in minimizing tourism impacts remain unknown.

In addition, the budget allocation for research and education activities was still low and there is no indication of an increase in 2005. There was also no clear indication of an increased budget to support staff training after the privatisation program and consistency in budget allocation for staff training.

As for visitor satisfaction, the overall level of visitor satisfaction was above average. This is especially indicated in the accommodation service performance which was operated by SSL. Many repeat visitors expressed satisfaction over the improvement in the quality of accommodation facilities after the privatisation program. However, knowledge-based aspects which were included in the services provided by Sabah Parks, required substantial improvement, which cover the educational/information elements of all activities conducted as well as the overall quality of nature guiding especially in terms of English proficiency, communication skills, knowledge as well as information provided.

Despite of the satisfaction shown in the accommodation service quality in 2006, visitor satisfaction survey conducted in 2009 revealed a sharp declining level of satisfaction among the visitors to Kinabalu Park on the price of accommodation provided. The price of accommodation was increased since 2007 based on dual tiered system stratifying domestic and foreign visitors (RM30 and RM46 respectively). In less than 3 years, the price was further increased striking up

to RM100 (foreign tourists) at Park HQ. Furthermore, a package for climbers were introduced, rated at RM330 per person for a 2-day 3-night climb. Domestic tourists had complaint about the affordability of enjoying the national iconic treasure. Furthermore, the dual tiered pricing system had marginalized the opportunities of domestic tourists to participate in mountain climbing. As the accommodation availability was set at 160 persons at Laban Rata¹ and the climb required 1-night stay, many domestic tourists complaint that it was extremely difficult to make bookings because the private operator favoured bookings made by foreign tourists due to the much higher profit.

¹ Laban Rata (3,314m a.s.l.) is the last stop on the summit trail equipped with restaurant and accommodation facilities

4.

Discussion

4.1.

Public sector in securing public and private goods

Tourism activities and facilities provided by Sabah Parks are some of the private goods in Kinabalu Park. They are provided to the park visitors at a fee. These goods generate direct financial income to the park. In contrast, nature conservation such as staff training, research activities are public goods. In Kinabalu Park, Sabah parks did not indicate better financial emphasis into areas that support nature conservation but private goods and services. The analysis indicated a case of 'paradigm blindness' where Sabah Park was unable to adjust itself to the changing duties and responsibilities after privatisation in meeting the socio-economic principles of sustainable tourism. There was no feedback obtained by Sabah Parks in understanding the expectation and experience of its visitors. Moreover, the lack of understanding on the visitor demand on knowledge-based components in the tourism activities and absence of feedback demonstrates the general weakness within public sector in dealing with private goods. As there is no restraint observed like in private sector, Sabah Parks show little interest in understanding the market demand.

4.2.

Private sector in providing private goods

In contrast, the private sector in managing the accommodation facilities was able to meet the visitor expectation in the early years of privatisation. Driven by its profit-nature, it obtained feedback from the resort guests to quickly respond to the market expectation. This conforms to the general assumption that private sector is relatively more capable in providing private goods than the public sector. Nonetheless, due to its monopoly control in providing the accommodation and eateries facilities especially at Laban Rata, the involvement of private sector had reached a state of not benefiting the establishment of Kinabalu Park, i.e., for the enjoyment of the public. The lack of economic competition enables SSL to create artificial shortages (e.g., bookings by domestic climbers and to offer mainly the 3-day 2-night package) as well as in raising accommodation rate to increase their profit margin. The monopoly status of SSL had apparently thwarted the general role of Kinabalu Park as a public good. The introduction of privatisation which comes with a concession of 30 years also discloses the difficulty in controlling the private sector especially in the case where they enjoy the monopoly status.

4.3.

Is Kinabalu Park sustainable?

The efforts of conserving nature and meeting tourist satisfaction must be made in meeting the socio-economic principles of tourism development. While tourism generates economic income to the park, it depends on the outstanding natural features to survive. Enhancing tourist experience quality in a park have positive influence on the revenue generated, which benefits the local communities in terms of job provision and also provides improved financial performance as a basis for human resource development and conservation advancement. If

Kinabalu Park is to meet the principles of sustainable tourism, Sabah Parks must first enhance its educational elements in enhancing its tourism development. In addition, efforts must be made to negotiate with SSL to come to an appropriate level of price charged to the tourists. Nature conservation is a key justification for many parks worldwide. The analysis result in Kinabalu Park reveals that although Sabah Parks has been released from managing the accommodation facilities; they do not further enhance the financial allocation into activities such as staff training and research activities which are pre-requisite for conservation. Furthermore, the educational elements were not given appropriate attention by the park management despite there is a rising demand on the quality and quantity on environmental education and information provided by the park. The absence of tourism impact monitoring system is also an issue to be overcome. Without the monitoring system, it is hard for the park management to access the long-term human impacts on flora and fauna along the summit trail which is very ecological sensitive and also to evaluate the effectiveness of the existing tourism impact management tools.

In meeting the tourist satisfaction, Sabah Parks has substantially invested into tourism activities but the quality of activities and guides especially the educational elements must be improved. Besides, there was no feedback obtained from tourists to examine the tourist overall experience as well as strengths and weaknesses of park management in various sectors. This has thwarted the efforts in understanding the tourist needs in the park thus the expectation of tourists may not be met. On the other hand, SSL has significantly improved the quality of accommodation facilities provided in Kinabalu Park. Nonetheless, the analysis results reveal that it is unable to meet tourist satisfaction because of the skyrocketed pricing introduced.

5.

Conclusion

Apart from demonstrating the empirical evidence of the management of public and private goods and services in protected areas, this paper reveals the importance and the need of monitoring in evaluating the performance of park management over time in meeting the principles of sustainable tourism. Without monitoring, any changes due to the change of institutional arrangement may not be detected and observed. Despite of the perceived benefits of private sector involvement, the case of Kinabalu Park demonstrates the negative impacts of 'monopoly' in free market and the less ability of public sector in managing private goods notwithstanding its interest in doing so. Furthermore, the results of this paper disclose the worth of knowledge (public goods), which could enhance the value of private goods was overlooked by the public sector. To conclude, the introduction of privatisation program not only demonstrates the possible changes to the existing management structure and improvements, but also reveals the weaknesses present within the public sector which required specific attention and actions for rectification.

6.

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