



**A STUDY ON THE CHALLENGES FACED BY INBOUND
TOUR OPERATORS IN KOTA KINABALU DISTRICT**

**ATHANASIA NONTIN
2605282687**

**BACHELOR OF BUSINESS ADMINISTRATION (HONS)
MARKETING
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA KINABALU**

NOVEMBER 2008

TABLE OF CONTENTS

PAGE

ACKNOWLEDGEMENT

ACKNOWLEDGEMENT

The author wishes to express her special thanks to the Project Advisor, **Professor Madya Rosdiana Hj Sukardi**, whose experience, expertise, beneficial suggestions and untiring guidance were crucial to the successful completion of this project paper. Appreciation is also extended to Ms Anna Nointin and Mr E Ean for their excellent contributions and assistance. .

An acknowledgement would be incomplete without a formal expression of gratitude towards the author's loving family; mum, Pat and the kids for their caring understanding needed to complete the task.

One final sincere expression of appreciation goes to all the respondents to this survey, for without your cooperation this study would not have been possible. Thank you.

1.1.2 Global Tourism Trend 3

1.1.3 Malaysia Tourism Trend 4

1.1.3.1 Tourism in Sabah 5

1.2 Problem Statement 8

1.3 Objectives 9

1.4 Significance of Study 10

1.5 Research Questions 11

TABLE OF CONTENTS

	PAGE
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	viii
LIST OF FIGURES	x
ABSTRACT	xii
CHAPTERS	
1. INTRODUCTION	25
1.1 Background	1
1.1.1 Travel and Tour Operations in Sabah	2
1.1.2 Global Tourism Trend	3
1.1.3 Malaysia Tourism Trend	4
1.1.3.1 Tourism in Sabah	5
1.2 Problem Statement	8
1.3 Objectives	9
1.4 Significant of Study	10
1.5 Research Questions	11

1.6	Limitations	12
1.7	Definitions of Terms	14
2. LITERATURE REVIEW		
2.1	Tourism Industry in Malaysia	17
2.1.1	Ministry of Tourism, Malaysia	18
2.1.2	Tourism Malaysia	19
2.2	Tourism Industry in Sabah	19
2.2.1	Ministry of Tourism, Culture and Environment	21
2.2.1.1	Sabah Tourism Board	22
2.2.1.2	Tourism Malaysia	24
2.3	Inbound Tour Operators	24
2.3.1	The roles of Tour Operators	24
2.3.2	Common Problems of Tour Operators	25
3. RESEARCH METHODOLOGY AND DESIGN		
3.1	The Data Collection	27
3.1.1	Survey Instrument	28
3.2	Sampling Techniques	28
3.2.1	Sampling size	30
3.3	Procedure for Analysis of Data	31
3.3.1	SPSS	31

CHAPTER 1

INTRODUCTION

ABSTRACT

The booming tourism industry in Sabah and in Malaysia as a whole has attracted many entrepreneurs to swamp the industry. In the last 5 years the increased number of tour operators in Sabah has doubled and that trend seems continuous. With the current high number of 136 tour operators in Kota Kinabalu District itself there are more coming where approvals have been given. This study is prompted with the interest to know if this seemed to be a lucrative industry is as what it is perceived and to identify the challenges faced by those tour operators in this very competitive business environment. A set of questionnaires were distributed to all the 136 tour operators in Kota Kinabalu District along with some interviews and personal observations were done during the period of study. The findings show that this industry is indeed still a worthy industry to go in but this phenomenon will not be permanent as the uncontrolled influx has already started to create unhealthy competitions. Various measures are being suggested that may help to counter this situation and it is timely to seriously look into this situation now while it is still in a manageable stage.