

REVITALIZING MALAYSIA'S TOURISM INDUSTRY: STRATEGIES, CHALLENGES, AND THE ROLE OF DIGITAL TRANSFORMATION IN PROMOTING ECOTOURISM

Cai Fa Da¹
Ooi Kok Loang²

Article history

Received date : 25-11-2023

Revised date : 26-11-2023

Accepted date : 20-3-2024

Published date : 15-4-2024

To cite this document:

Da, C. D., & Loang, O. K. (2024). Revitalizing malaysia's tourism industry: Strategies, challenges, and the role of digital transformation in promoting ecotourism. *International Journal of Accounting, Finance and Business (IJAFB)*, 9 (53), 274 – 282.

Abstract: *Malaysia's tourism industry has historically contributed to GDP and foreign exchange. However, the COVID-19 pandemic devastated the sector, causing record-low visitor arrivals and spending. In response, Malaysia undertook several policies to revitalise the sector. Such plans include the National Tourism Policy 2020–2030, stimulus packages, and infrastructure tax incentives. After the pandemic was contained, widespread vaccinations and innovative transportation strategies like the Vaccination Travel Track helped businesses recover. Malaysia's tourism industry is strategic due to its diverse local and foreign visitors. In 2020, the pandemic drastically reduced international tourism. Domestic tourism was hampered while appearing normal. The hospitality business, costly hotels, grew thanks to government investments. The hotel business suffered a sharp decline in guests and occupancy due to Airbnb's popularity. This study examines Malaysia's tourist sector's issues and its innovative use of the Internet Plus platform to promote ecotourism. The crucial factors were Internet adoption, consumer preferences, trust and security, pricing strategy, mobile apps, and AI Malaysian Tourism Accounting Policy and Practice. It was found that five primary elements affect Malaysia's tourism accounting management. The findings highlight the growing importance of digital transformation and how trust, pricing, and technology shape consumer experiences.*

Keywords: *Malaysia's Tourism Industry; COVID-19 Pandemic; Tourism Recovery; Digital Transformation*

Introduction

Tourism is the third largest contributor to Malaysia's gross domestic product (GDP) and the country's primary foreign exchange earner. Like many countries worldwide, Malaysia's tourism and leisure sector has been hit hard by the New Crown epidemic. Due to border closures and travel restrictions, tourist arrivals plummeted by 83.4% to just 4.3 million in 2020, recording the lowest value for the industry in the country's history. Singapore, Indonesia, China, Thailand and India, the five key sources of tourists, saw significant declines in visitor arrivals and spending. Travel agencies, hotel accommodations, food and beverage outlets and transportation services are among the worst affected sub-sectors, which has led to job losses and business closures. In 2021, Malaysia is expected to lose RM165 billion in tourism spending.

The Malaysian government has been working closely with the private sector to ease the burden on individuals and businesses by launching the National Tourism Policy 2020-2030, a massive economic stimulus package, and providing fiscal and monetary incentives for infrastructure development (Ntambu & Loang, 2022). Since the end of 2021, the tourism and leisure sector has gradually recovered as the New Crown outbreak has been better contained. Several positive initiatives, including Malaysia's rapid rollout of vaccinations, relaxation of travel restrictions and the recent implementation of the Vaccination Travel Track (VTL) for entry into Singapore, will also help rebuild Malaysia's travel and leisure sector and drive economic growth.

In 2020, Malaysia's tourism and leisure sector directly contributed RM73.9 billion (5.2% of GDP) to its economy, making it the third largest contributor. As the tourism and leisure industry is an essential source of foreign exchange earnings for the Malaysian economy, it has been the government's endeavour, through the combined efforts of the public and private sectors as well as industry associations, to promote Malaysia as a preferred destination for tourists from all over the world, especially from other ASEAN countries as well as China, India, Japan, etc. In 2020, Singapore and Indonesia will remain the two most significant sources of tourists to Malaysia, accounting for a total of 52.1%.

According to the Malaysian Industrial Development Authority (MIDA), premium hotel developments will always be in demand as global wealth accumulates and living standards improve in developed and developing countries (Loang & Ahmad, 2023). The Malaysian government strongly encourages the development of luxury hotels through large-scale infrastructure development with a combination of international and well-known local brands. At the same time, the government is also emphasising expanding hotels from urban to rural areas, such as in the budget hotel segment. Investment opportunities also exist in providing construction or related services for the rail, road and air transportation sectors. Malaysia is strategically located in the heart of the ASEAN region. It is blessed with a rich natural landscape that attracts a large number of tourists from both international and domestic sources, such as the ASEAN region and other Asian countries or regions.

Data from the Department of Statistics Malaysia (DOSM) showed that international tourist arrivals in 2020 declined by 83.4% year-on-year to 4.3 million due to the outbreak of the New Crown epidemic, which led to the most significant drop in the tourism and leisure sector in Malaysia's history. International tourists spent RM12.7 billion on various activities in 2020, down 85.2% from 2019, with neighbouring Singapore being Malaysia's largest source of inbound tourists. Domestic tourism in Malaysia has been active. However, domestic tourism was also affected by the epidemic in 2020, declining by 44.9% and 60.9% year-on-year in terms of volume and spending, respectively. In the travel and accommodation sub-sector, hotel

expansion is mainly driven by the luxury segment, strongly supported by international and well-known local brands that have successfully gone abroad. Luxury hotels are located primarily in cities and larger towns such as Kuala Lumpur, encouraged by substantial government investment in physical infrastructure. Budget hotels face stiff competition from online travel service platforms, most popularly Airbnb. Overall, the number of hotel guests in 2020 declined by 55.7% year-on-year to 35.4 million, while hotel occupancy declined from 58.8% in 2019 to 30.9% in 2020.

Literature Review

Research on Malaysia's Tourism Industry in the Technology Acceptance Model (TAM)

This part delves into the theoretical underpinnings of our knowledge, illuminating the role of "Internet Plus" platforms in promoting sustainable tourism in Malaysia and the evolution of the country's tourism industry. These models are the foundation for understanding how the "Internet Plus" revolution influences Malaysia's tourism industry. Sustainable tourism theory is an essential building block in comprehending the concept of encouraging sustainable tourism in the context of Malaysia's rapidly expanding tourism industry. This theory heavily emphasises finding a sustainable tourism economy from an economic, environmental, and social perspective. When applied to the Malaysian tourism industry and the Internet Plus platform, this concept exemplifies the urgent need to employ technological means to ensure long-term viability.

By infusing the tourism industry with digital innovations and leveraging the capabilities of the Internet Plus platform, Malaysia can make strides toward ensuring that the economic growth fueled by tourism does not come at the cost of environmental degradation or the social exclusion of local communities (Loang, 2023). By taking these steps, Malaysia will be better positioned to realise its objective. It offers a framework for thinking about how digital technology may improve vacationers' experiences and resource management, reduce carbon footprints, and improve local economic growth. We may use this theory as a guide to understand better the interplay between the digital age and Malaysia's tourism sector.

Within This study, these economic theories provide a basis for understanding the effect of "Internet Plus" platforms on Malaysia's tourism industry's bottom line. One tool that helps us understand this entire cycle is the tourist andLodging Competitiveness Index (TALC), which measures a destination's attractiveness at each stage of the tourist industry's development (from exploration through maturity to probable rejuvenation). At each point of this cycle's progression, from enticing first-time visitors to revitalising depressed areas, we can evaluate the Internet Plus platform's impact. The multiplier effect hypothesis examines the potential ripple effects of digital improvements in Malaysia's tourism sector across the country's economy (Liu & Loang, 2023). By applying these economic theories, we may gain a deeper comprehension of how the digitisation of Malaysia's tourism sector affects the sector's financial sustainability, which in turn affects Malaysia's broader economic environment.

Literature Review on Dependent Variable: Accounting Refine Management

While accounting refine management in sustainable tourism has received less attention than it deserves, it is crucial to effectively manage financial resources, boosting the prospects of sustainable tourist activities. The literature on sustainable tourism provides valuable insights into the significance of financial responsibility and sustainability, even though a lack of study

focuses on accounting refined management in sustainable tourism. These understandings provide the framework for learning why accounting refinement matters in Malaysia. By definition, sustainable tourism requires an all-encompassing approach to fiscal responsibility. Previous studies have extensively discussed the significance of finding a middle ground between economic viability and social and environmental duties (Karim et al., 2020). There has been a lot of research done on this already. Sustainable tourism must have a solid financial foundation to preserve the environment and improve the quality of life in the local communities where it operates in the long term.

The need for transparent financial reporting is critical in sustainable tourism. Significant infrastructure, technology, community engagement, and environmental conservation investments are commonplace in sustainability-focused initiatives. Without these funds being managed effectively, reaching the sustainability targets will be impossible. Stakeholders are given the tools for fiscal oversight, performance evaluation, and optimal resource distribution. Accounting and management are introduced into this discussion but are often only mentioned in passing.

Although there may be a lack of direct research on the topic, the existing literature provides some indirect insight into the role of accounting refine management in sustainable tourism. Financial sustainability, responsible tourist practices, and practical resource allocation conversations offer a suitable framework for understanding the critical role that accounting refinement can play in sustainable tourism (Leung et al., 2013). Financial sustainability in the context of sustainable tourism comprises more than just the generating of profits; it also involves the prudent management of resources to respect social and environmental responsibilities. This requires careful planning, cost controls, and financial reporting. These are the foundations of sound financial management and accounting.

As Malaysia's tourism sector aligns itself with "Internet Plus" platforms to promote environmentally friendly tourism, accounting refine management is increasingly important (Loang, 2023). The transparent reporting of financial performance and the efficient allocation of funds for ecologically responsible initiatives are paramount. Consequently, accounting refined management is undeniably essential in sustainable tourism despite being an understudied subject in sustainable tourism.

Literature Review on Independent Variables

Several critical independent variables that contribute to understanding the impact of the "Internet Plus" platform on Malaysia's tourism sector have been identified through this study. These factors encompass a broad spectrum of factors contributing to the industry's growth and evolution. Here is a synopsis of studies conducted on each independent variable: The rise of the tourism business is mainly attributable to the increasing Internet adoption. When considering the situation in Malaysia, where Internet penetration has been growing, this trend's impact on the tourism sector's development is undeniable (Shahbaz et al., 2020). The Internet's pervasiveness has significantly changed how travellers envision and execute their vacations. More and more people are using the Internet for their research and scheduling needs. The findings show that businesses need an active online presence to succeed in tourism. A thorough knowledge of customer tastes is crucial for developing appealing tourism products. Passengers' preferences in tourism have shifted across the board, with today's vacationers desiring more customised trips. The Internet Plus system provides a solid avenue to meet such preferences efficiently. Tourists have learned to expect bespoke itineraries due to the widespread

availability of smartphones and the Internet. According to the study, businesses will succeed more often using client information and tastes to create individualised goods and services.

Trust and security have emerged as two of the most significant aspects of online commerce and financial dealings (Khan & Hashim, 2020). Online tourism platforms must guarantee the security of all user data and financial dealings made by vacationers. The study highlights the need to establish confidence among potential tourists and implement comprehensive safety measures. Concerns about privacy and security are of the utmost importance in today's era when personal and financial information can be freely traded online for the success of online tourist platforms.

Research Hypothesis and Model Construction

Research Design

For this reason, we have decided to employ a quantitative study methodology to explore the potentially transformative impact of "Internet Plus" platforms on developing environmentally responsible tourism within Malaysia's tourism industry (Loang, 2023). Foo et al. (2021) state that this research approach has been widely lauded for its capacity to quantitatively and analytically examine the correlations between variables via the collection of numerical data and rigorous statistical analysis. This study's primary goal is to quantify the connections between our independent variables (Internet Usage, Consumer Preferences, Trust and Security, Pricing Strategy, Mobile Apps, and AI) and the dependent variable (Accounting Refinement Management). A quantitative research strategy fits perfectly with our goals since we are interested in quantifying and measuring connections between these factors. Our ability to systematically structure this study using this quantitative research design ensures that we will collect and analyse data in a way that will allow us to test our hypotheses with precision and rigour. Using a quantitative methodology, we hope to provide a comprehensive and empirical knowledge of the processes at play in the context of sustainable tourism development within Malaysia's thriving tourism economy. This study's methodology will allow us to draw reliable, fact-based conclusions about the value of "Internet Plus" platforms and their impact on fostering more environmentally friendly tourism in Malaysia.

Research Paradigm

We are committed to the positivist research paradigm in our investigation of the many factors contributing to the growth of environmentally responsible tourism in Malaysia's tourism sector using tools like "Internet Plus." The positivist paradigm is inherently suited to the goals that we have set for this research because it places a premium on identifying empirical evidence and demonstrating causal links through methodical data collecting and stringent quantitative analysis (Creswell, 2013).

We believe that by staying true to the positivist paradigm, we can better understand the interplay between the various independent variables (such as Internet Penetration, Consumer Preferences, Trust and Security, Pricing Strategy, Mobile Apps, and Artificial Intelligence) and the outcome (Accounting Refine Management). Our focus on collecting and analysing quantitative data shows our devotion to learning how "Internet Plus" platforms help sustainable tourism in Malaysia's booming tourism sector. By examining these connections and findings, we may learn more about how "Internet Plus" platforms promote responsible tourism in Malaysia. However, we know the social sciences' notoriously high innate complexity. Quantitative facts and causal relationships are commonly associated with the positivist

viewpoint, yet in many cases, the complexity goes beyond these. Therefore, while we mainly adhere to the positivist approach, we are open to including some constructivist elements if they prove helpful. The inclination to entertain different perspectives stems from the recognition that the multifaceted nature of tourism, including tourists' behaviours, ideas, and emotions, cannot be adequately captured via a positivist lens (Guba & Lincoln, 1994). As a result of this realisation, we kept an accepting mindset.

By balancing positivism and constructivism, we want to develop an all-encompassing understanding of the interplay between "Internet Plus" platforms and ecologically conscious tourism. Suppose we use this approach, which takes advantage of the inherent variety and nuance of the social sciences. In that case, This research will be more accurate since it will consider both the objective and subjective aspects contributing to constructing this ever-changing environment. We hope this will help us gain a more nuanced and comprehensive understanding of how technology might promote responsible tourism growth in Malaysia.

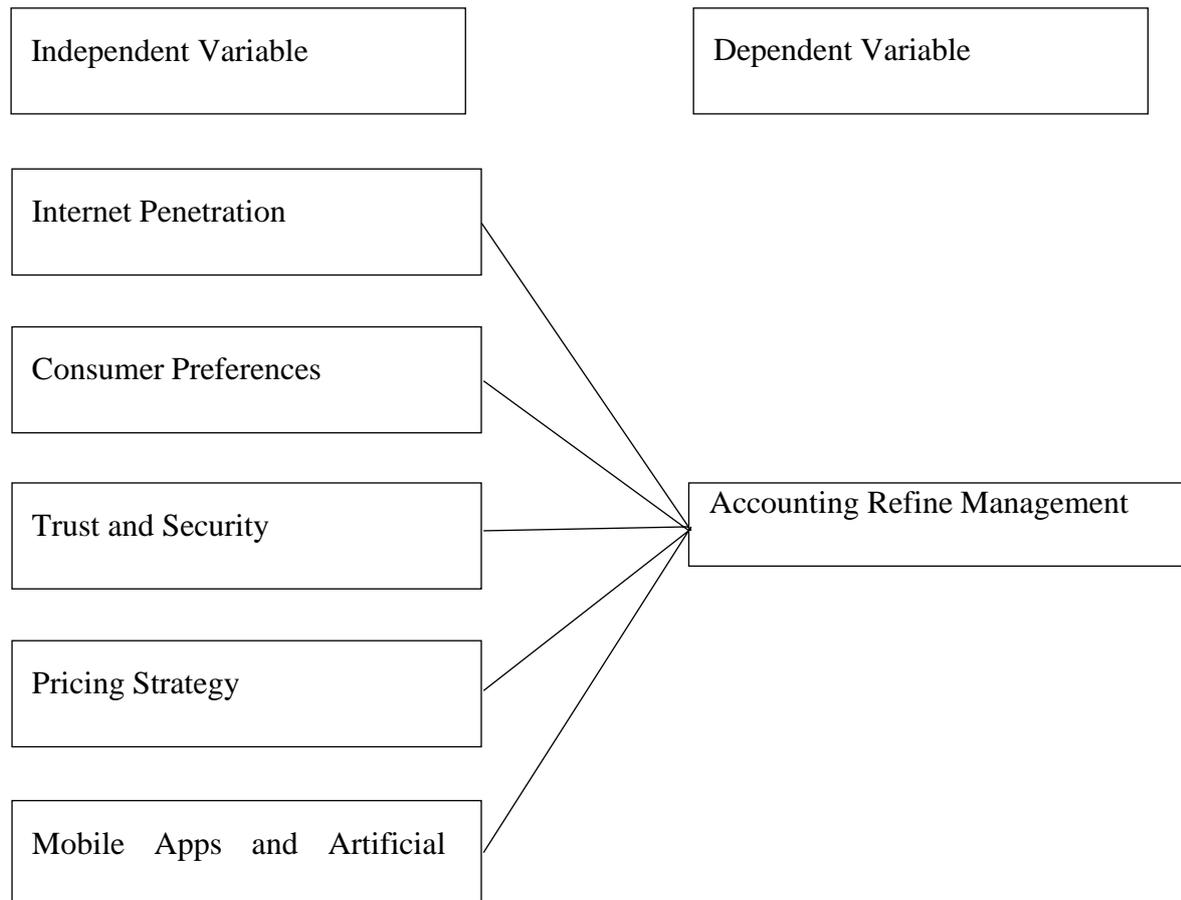
Population, Sampling, and Unit of Analysis

Before we can begin investigating how "Internet Plus" platforms might be used to promote sustainable tourism within Malaysia's dynamic tourism sector, we need to define the parameters of This study. The generalizability and relevance of our results depend on many factors, including the population, the sample, and the unit of analysis. This study aims to clarify the dynamic and multifaceted Malaysian tourist industry. Hotels, tour operators, governmental agencies, and many other types of businesses contribute to this dynamic industry. Using a sample size of 360 will allow us to be confident in the results of our inquiry. To generalise from our results, though, we need to know how much population we represent in our sample.

In order to achieve this, we resort to some basic math. If our sample size is 360 people, then we need to calculate what fraction of the Malaysian tourism industry this sample accurately reflects. For instance, we might determine that about five thousand different people and groups in Malaysia contribute to the success of the country's tourist sector. Given a population of 5,000, our sample size of 360 would yield a percentage of 7.2%. This means there are roughly 5,000 people in the area of interest. This research is centred on, and our units of analysis are, the people and businesses that makeup Malaysia's tourism sector. These businesses, including hotels, tour operators, and government agencies, are essential to the tourism industry's wheel. Their participation in This research, the information they provide, and their expertise in accounting, administration, and the deployment of "Internet Plus" platforms would be invaluable. We aim to gain a comprehensive and nuanced knowledge of the interplay between our independent and dependent variables by dissecting various analysis levels.

Constructing the research model

In the context of Malaysia's ever-evolving tourism industry, this study's conceptual framework encapsulates the complex web of relationships between the independent variables of Internet Penetration, Consumer Preferences, Trust and Security, PricingStrategy, Mobile Apps, and Artificial Intelligence, and their collective influence on the dependent variable, Accounting Refine Management. Penetration of the Internet, consumer preferences, trust and security, pricing strategy, mobile applications, and artificial intelligence are all examples of such independent variables.



Consumer Preferences: A deep awareness of how passengers' preferences evolve is crucial when modifying tourism offerings. The Internet Plus platform's user-friendliness, customisation options, and potential for rapid information acquisition are expected to impact consumers' preferences significantly. If tourism goods were modified to suit these tastes better, it would have a direct bearing on the budgetary management of ecotourism.

Trust and Security: Maintaining confidence and safety is crucial while conducting business and dealing with sensitive data online. Online platforms that are reliable and secure have a better chance of luring visitors and protecting their money. This has repercussions for accounting refine management in the form of reduced financial risk and more openness.

Pricing Strategy: The influence of pricing tactics within the tourist industry on consumer decision-making and the overall economy is significant. Dynamic pricing, discounts, and package deals have the potential to significantly affect accounting refinement management once they are incorporated into the digital environment. Increased financial performance could be the outcome of using efficient pricing strategies.

Mobile Apps: Through the use of mobile applications, tourists can gain access to real-time data, booking services, and interactive experiences. Well-designed mobile apps prioritising user experience can influence travellers' budgets and plans. Accounting management may be affected by the information they provide for financial monitoring and analysis.

Artificial Intelligence: Artificial intelligence (AI)-driven technologies, including chatbots, recommendation systems, and predictive analytics, are utilised to provide customised, in-the-moment support to tourists. The use of AI could significantly alter visitors' levels of enjoyment, contentment, and spending. Using AI to gather information for better budgeting and resource allocation has the potential to revolutionise the fields of accounting and management.

In Malaysia's sustainable tourism context, the interplay of these various elements is expected to shape accounting and refine management. Our overarching goal in conducting this study is to promote sustainable tourism by clarifying the complex interrelationships between technical and consumer-driven elements and determining how these aspects impact financial management. The conceptual framework serves as a road map for empirical research to better understand how technology and consumer preferences influence accounting refine management in pursuing sustainable tourism within Malaysia's thriving tourism economy. The tourism business in Malaysia, where this research was done, is booming.

Conclusion

In conclusion, this study thoroughly examines initiatives to advance sustainable tourism in Malaysia. The Internet and its accompanying platform were used to analyse this effort. This research indicates that Internet Adoption, Consumer Preferences, Trust and Security, Pricing Strategy, and the Roles of Mobile Apps and Artificial Intelligence all play essential roles in shaping the evolution of Accounting Management within the Country's Tourism Industry. The theoretical contributions, managerial insights, and policy implications discovered in this study can now be used as beacons to direct the tourism industry, lawmakers, and future researchers.

References

- Foo, L. P., Chin, M. Y., Tan, K. L., & Phuah, K. T. (2021). The impact of COVID-19 on tourism industry in Malaysia. *Current Issues in Tourism*, 24(19), 2735-2739.
- Karim, W., Haque, A., Anis, Z., & Ulfy, M. A. (2020). The movement control order (MCO) for COVID-19 crisis and its impact on tourism and hospitality sector in Malaysia. *International Tourism and Hospitality Journal*, 3(2), 1-7.
- Khan, M. A. A., & Hashim, H. (2020). The effect of Covid-19 on tourism and hospitality industry in Malaysia, resurgence in the post-pandemic Era: A conceptual criterion. *International Journal of Tourism & Hospitality Review*, 7(2), 54-62.
- Liu, X., & Loang, O. K. (2023). Analysts' forecast optimism and cash holding: Evidence from China. *Finance Research Letters*, 57, 104237.
- Loang, O. K. (2023). INFORMATION EFFICIENCY IN THE US AND SHARIAH-COMPLIANT STOCKS IN MALAYSIA DURING COVID-19. *Journal of Islamic Monetary Economics and Finance*, 9(3), 465-490.
- Loang, O. K. (2023). Risk-Averse Behaviour in Emerging Markets: The Role of Economic Indicators, Bank Characteristics and Developed Markets. *Jurnal Ekonomi Malaysia*, 57(1).
- Loang, O. K. (2023). SUSTAINABLE DEVELOPMENT GOALS, HERDING, AND RISK-AVERSE BEHAVIOR IN MUSLIM COUNTRIES. *Journal of Islamic Monetary Economics and Finance*, 9(2), 313-336.
- Loang, O. K., & Ahmad, Z. (2023). Empirical Analysis of Global Markets Herding on COVID-19 Effect. *Vision*, 09722629221146653.
- Ntambu, D., & Loang, O. K. (2022). THE IMPACT OF COVID-19 ON HOTEL INDUSTRY IN MALAYSIA. *International Journal of Accounting*, 7(45), 135-147.

Shahbaz, M., Solarin, S. A., Azam, M., & Tiwari, A. K. (2020). Tourism-induced income distribution in Malaysia: a practical experience of a truly Asian economy. *Current Issues in Tourism*, 23(23), 2910-2929.