Tourism Challenges among the SMEs in State of Terengganu

Norudin Mansor
Associate Professor in Business, Faculty of Business Management
Universiti Teknology MARA Terengganu, Malaysia
E-mail: norudinm@tganu.uitm.edu.my

Wan Arinie Wan Ahmad
Lecturer in Business, Faculty of Business Management
Universiti Teknology MARA Terengganu, Malaysia
E-mail: arine211@tganu.uitm.edu.my

Dr Azman Che Mat
Senior Lecturer in Linguistic, Academy of Language Study
Universiti Teknology MARA Terengganu, Malaysia
E-mail: azman531@tganu.uitm.edu.my

Abstract

This study focus on several selected construct that are related to tourism challenges in the state of Terengganu. Moving through the investigation, among the prominent construct been reviewed and analyzed are the concept of, heritage product, promotion and infrastructure which are believed to have significant relationship with challenges in the industry. The instrumentation by means of personally administered questionnaire was used to collect cross-sectional data through proportionate stratified random sampling from the list of population gazette. The result of the study revealed that the entire identifiable construct was associated and significant with the challenges for footing the industry relatively relevant and maintaining its competitive edge.

Keywords: heritage product, promotion, infrastructure

1. Background of Study

Tourism is the act of travel for predominantly recreational or leisure purposes, and also refers to the provision of services in support of this act. The role of Tourism Malaysia is to encourage foreigners and also Malaysian people to visit Malaysia. Beside that it also helps country to develop and market Malaysia in international and domestic arena as tourist destination choice. Tourism in Malaysia needed standardization of tourism marketing activities by public sector, private and NGOs if the industry wishes to remain competitive. In making it more prominent, all the parties involved should be equipped more insight about impetuous development program, a well-planned mechanism programs to encourage tourism industry in Malaysia and a strategic implement execution to get the industry going. Many activities have been planned for the Visit Malaysia Year 2007 (VMY 07). Through the programmed VMY 07, it is expected that several objectives such as increasing the growth of economy, generating more job opportunities, increasing foreigners to visit Malaysia, stimulating tourism related industries and the execution of product rebranding in Malaysia could be realized. The above programs will provide more avenues in promoting more tourists to visit the East Coast Region part of the nation.

Reviewing back the 30 Years development of tourism activities in Malaysia is useful towards shaping the future of the industry. Beginning with 1970s The Tourist Development Corporation of Malaysia (TDC), was established as an agency under the former Ministry of Trade and Industry by an Act of Parliament. It was a year that saw full-fledged efforts and determination to promote tourism. Following the year 1980s the Ministry of Culture, Arts and Tourism was incepted. TDC was then moved from the Ministry of Trade and Industry to this new ministry. In May 1992, the Tourist Development Corporation of Malaysia Act 1972 was replaced by the Malaysia Tourism Promotion Board Act 1992. Moving into 1990s the Malaysia Tourism Promotion Board (MTPB), more popularly known as "Tourism Malaysia", was formally established.

It was relieved of its former development and enforcement functions to enable it to focus specifically on promoting Malaysia at a domestic and international level.

COUNTRY	JAN –AUG 2005	JAN –AUG 2006	%
Singapore	6,407,101	6,321,188	-1.3
Thailand	1,228,663	1,314,632	7.0
Indonesia	642,343	803,701	25.1
Brunei	307,013	447,245	45.7
China	202,620	244,255	20.5
Japan	215,362	224,098	4.1
Australia	177,502	182,945	3.1
India	121,932	179,112	17.7
United Kingdom	160,543	167,847	4.5
Filipina	112,599	132,346	17.5

Fig 1: Top ten foreign tourists arrival to

From the data displayed in Figure 1, the top ten tourists arrival to Malaysia by country of residence from January until August 2005 and from January until August 2006 were those from Singapore, Thailand, Indonesia, Brunei, China Japan, Australia, India, United Kingdom, and Filipina

2. Problem Statement

Every year, government discharges a lot of expenditure to makes an aggressive promotion in order to attract more foreigner and local to Visit Malaysia and also to attract tourist to spend their time at interesting place in Malaysia. In commemoration Visit Malaysia Year 2007, government under Ministry of Malaysia Tourism organizes variety of interesting activities. Our interviews with several authorities regarding the development of tourism in the state of Terengganu conclude that there was lack of promotion to attract more tourists to visit Terengganu. Despite of having 8 sub tourism sectors such as Eco- tourism, Agro–tourism, Cultural-tourism, Edu-Tourism, Histro-tourism, Sport-tourism, health-tourism and home stay to attract tourist visiting Terengganu, but still many of them were not aware of the existence of the sectors. A very clear generalization among the local or national public was the lack of effective promotion through mass media or other means such as using billboard, printed media, or even word-of-mouth. Beside that, Terengganu Tourism Development is also left behind compare to other state in term of other supporting facilities such as shopping centre, cinemas, well-equipped bus terminal, home stays accommodation, a good selection of hotels, and other recreational centers.

3. Purpose of the study

The main concern of this paper is to address the related issues concerning the challenges of tourism industry in the state of Terengganu. Specifically this paper will further investigate as to what extend promotion efforts, the existence of local infrastructure, and the attractiveness of heritage product had taken their role in shaping the challenges to the tourism industry in state Terengganu.

Proposition
Proposition 1:   Heritage product has relationship with the tourism challenges in the state Terengganu.
Proposition 2:   Promotion has a relationship on tourism challenges in the state Terengganu.
Proposition 3:   Tourism infrastructure has no relationship on the tourism challenges in the state Terengganu

4. Scope and Limitation

This study focuses on operator that was directly and indirectly involved in tourism industry which was approximately 376 in total. The operators include travel agent, hotel/resort, tourist guide, songket and batik making. In getting the acceptable representation of the population 200 samples were selected for the study. The respondents selected were anybody that involved directly or indirectly in tourism industry. Our investigation focused on the relationship and factor that contribute to the challenges in promoting the state of Terengganu as the tourist destination. Among the elements that need to be analyses were heritage product, promotion and infrastructure. The model of our investigation is displayed in the theoretical framework.
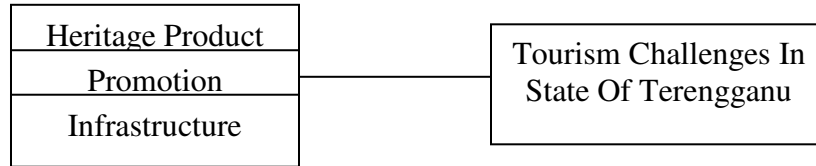
```
┌─────────────────────┐
│  Heritage Product   │
├─────────────────────┤              ┌──────────────────────┐
│     Promotion       │──────────────│ Tourism Challenges In │
├─────────────────────┤              │  State Of Terengganu  │
│   Infrastructure    │              └──────────────────────┘
└─────────────────────┘
```

Fig. 2: Theoretical Framework

5. Literature Review

Tourism Challenges

Referring to Burkart and Meldik (1981), tourism is the sum of the phenomena and relationship arising from the travel and stay of non-residents, so far as they do not lead to permanent residence and are not connected with any earning activity. Five main characteristics of tourism may be identified conceptually:

i. Tourist arises from a movement of people to, and their stay in, various destinations.
ii. There are two elements in all tourism: the journey to the destination and the stay including activities at the destination.
iii. The journey and stay take place outside the normal place of residence and work, so that tourism gives rise to activities, which are distinct from those of the resident and working populations of the places, through which tourists travel and in which they stay.
iv. The movement to destinations is of a temporary, short term character, with intention to return within a few days, weeks and months.
v. Destinations are visited for purposes other than taking up permanent residence or employment remunerated from within the places visited.

Further explanation by Mill and Morrison (1992) viewed tourism as an activity engaged in by people who travel. This encompasses everything from the planning of the trip, the travel to the place, the stay itself, the return, and the reminiscences about it afterwards. It includes the activities the traveler undertakes as a part of the trip, the purchase made, and the interactions that occur between host and guest. Moving further into the industry, Hudman and Hawkin (1989) suggested that the success of tourism should include the sum of all the relationship arising from the interaction of tourists, businesses, tourist government, and host government and communities. The concept of tourism is multidimensional, multifaceted activity, which touches many lives and many different economic activities. With the dynamic development tourism activities started with the temporary movement to destination outside the normal home and workplace, the activities undertaken during the stay and the facilities created to cater for the need of tourism (Cooper et al. 1993).

Cook et al. (2006) disclosed that, although tourism can create greater cultural understanding and enhance economic opportunities, it may also change social structure, may place increasing demands on transportation systems, public services and utilities and may lead to environmental degradation. Whether we are participants in or beneficiaries of tourism activities, we are all in one way or another affected by tourism. The future of tourism provided many challenges and opportunities as well as many unanswered questions:

Can tourism growth and development continue without creating environmental problems?
How will advances in technology change tourism experiences and how tourists and services providers deal with each others?
Will the expansion of the use of technology by tourism suppliers lead to a "low-touch" service that is less appealing to guests?
As the tourism service activities continue to grow, will an adequate workforce with the necessary skills be available?
Will the tourism change the social structure of countries and communities when thy experience increased tourism activities?

Heritage Product

Heritage product in tourism is an important part in attracting local or foreign tourist. As been discussed by Barton (2000), heritage facilities are provided by governments for a wide range of recreational, cultural, educational and scientific purposes for the use of the public at large. Public heritage playing an increasing role in the life of modern society as people are coming to appreciate more the richness of their story, culture and environment. The list of heritage facilities grows each year with the addition of new national parks, heritage buildings, art galleries, museums libraries and artifacts.

Meanwhile Dann and Worthing (2005) proposed that management of property portfolio at both strategic and tactical level ought to be directed towards the manipulation of property in order to support the corporate goals of the organization. However, for the "heritage organizations" (i.e. those organizations whose primarily goal is to protect and enhance built cultural heritage) the goal of the institution is the protection and enhancement of the buildings themselves, not least because the fabric itself embodies and represents cultural significance. A common theme in the general maintenance management literature is that in order to achieve a coherent and effective service, comprehensive data on the nature and condition of the buildings is required (for example, Chartered Institute of Building, 1990; British Standards Institute, 1986, 2000; Chanter and Swallow, 1996). Adding more to heritage product include the special collection which has many thousands of manuscripts, books, maps, photographs and ephemeral material which because of their significant, rarity, antiquity and or fragility are cared for in a conservation standard. The newspaper reading home and library shop are also part of the heritage group (Gharam, 2003).

Enriching further on the key concept of heritage, Smith (2003), proposed a much broader concept that includes the natural as well as encompasses landscape, historic places, site and built environments, as well as biodiversity, collections, past and continuing cultural practices, knowledge and living experiences. It record and expresses the long processes of historic development, forming the essence of diverse national, regional, indigenous and local identities and is an integral part of modern life. It is dynamic reference point and positive instrument for growth and change. The particular heritage and collective memory of each locality or community is irreplaceable and an important foundation for development both now and in the future. Heritage tourists are often believed to be a "better class" of tourist because they tend to spend more money in the local economy and destination and they are supposedly sensitive to the local culture, custom and traditions of the host community. They are also more likely to have some awareness of environmental and conversation issues. However, tourist numbers at some of the world's heritage attraction, especially world Heritage sites and historic cities, are becoming a cause of concern. Many major attractions are finding it increasingly difficult to balance the conversation of the site, maximizing access and optimizing the visitor experience. The following list given some good examples of the site that are suffering as a result of tourism development.

Cultural and historic cities(e.g. Venice, Kracow, Prague, Oxford)
National Parks(e.g. Lake Districts, Yellowstone park)
Archaeological sites (e.g. Ephesus, Pompeii, Hampi)
Individual sites and monuments (especially World Heritage Sites, such as the Pyramids, Taj Mahal, Stonehenge, Canterbury Cathedral)

According to Cook et al. (2006), heritage attraction can be found in a variety of shapes, size and locations throughout the world. These attractions may range from a small community museum dedicated to preserving memories and experience to incredible feats of human ingenuity and determination like the great wall of China. But heritage attraction are more than just museums, monuments, and archaeological treasures. They also include showplaces for natural wonders such as botanical gardens and aquariums as well as parks and preserves of natural resources that are dedicated to public enjoyment.

Promotion

Promotion is one of the elements of marketing mix. Promotion activity involves disseminating of information about a product and services, products line, brand and company. Promotion consists of four subcategory direct marketing, personal selling, sales promotion, public relation and included advertising. Effective promotion strategy must specify how much attention to pay to each promotion mix.

A promotion strategy can be develop to achieve specific objective including to increase sales, new product acceptance, creation of corporate image etc. Promotion is therefore a critical tools to be used by organizations to communicate with consumers with respect to their product offerings (Rowley,1998). As noted by Hudman and Hawkins (1989), promoting tourism stimulating sales through the dissemination of information should involved persuading existing and potential customer to travel by adopting several advertising strategies through good communication. Among the basic objectives of promotion are: to make the tourist product as widely known as possible; to make it attractive as possible, so inducing the largest possible number of people who are aware of it to try it; and to make the massage attractive without being dishonest.

Advertising as the most relevant tool in any promotional activities uses a number of forms to attract attention, arouse interest, convey information, and to induce the potential traveler to act in a specific manner. The outdoor advertising is generally seen in three areas: first, in areas of high visibility (on public transportation vehicle such as buses and taxis), second on benches (particularly along public transportation routes) and third, billboard (used extensively along highways to create awareness of the hotels, motels, service stations, restaurants and campgrounds that are ahead). In cities billboard and signs are seen along major transportation routes to and from airport, and other arteries traveled by local residents.Sales promotion have becomes very common today with free ticket to special events, trade shows, exhibits and for trips. Travel shows are common form of sales promotion, and they take in many forms. Travel agencies and tour operators will gather travelers together to promote a specific tour or cruise. Fairs and other events such as conferences and conventions, bring together a large number of prospective tourists for a specific time, display visuals (such as slide show and short film), poster, brochure, leaflets are available.

Merchandising can be used very effectively as a promotional tool when it involves the sales of product that a readily associated with a particular company or destination. This might involve items of clothing on which of resort or tour operator's logo is prominently displayed. Hard Rock Café illustrates the effective application of merchandising to the tourism sector. More of the company's revenue is generated from the sale of Hard Rock Café- branded merchandise than from food and beverages. The range of available items has expended from simple but enormously popular T-shirts to lapel pins, teddy bears and beer glasses. Because of their desirability as collectables, many consumers purchase two items, one for display as a status symbol (e.g. T-shirt or key chain) and one preserved in mint condition for it future resale value.

Mill and Morrison (1992) viewed promotion as communication which therefore requires the exercising of developing the promotional mix. As suppliers of tourism services or as intermediaries in the distribution channel, our task is to communicate a massage to potential tourist. Through explicit communication, language is used in as an attempt to promote a common understanding between the sender and receiver message without neglecting the role of nonverbal means, such as gestures and facials expressions. The end goal of promotion is behavior modification. The task is to initiate a purchase where none has been made before, initiate a change in purchase behavior by having the tourist "buy" a different destination, package, or service, or reinforce existing behavior by having the tourist continue to purchase the services being promoted. Informative promotion is more important during the early stages of the product life cycle when, for example, a new destination, and potential visitors must have sufficient knowledge of it before they can be expected to buy. Persuasive promotion seeks to get a tourist to buy.

Infrastructure

According to Burkart and Meldik (1981), the infrastructure includes all form of construction on and below ground required by any inhabited area in intensive communication with the outside world and as a basis for intensive human activity within. It include roads and perking areas, railway lines, harbours, and airport runways, as well as utility services of water supply, drainage and sewage disposal, electricity and power supply. The superstructure consists of passenger traffic terminals, hotels, restaurants, entertainments and shopping facilities, and the like. The infrastructure has to precede the superstructure and has to be adequate to serve the needs of the residents as well of tourists. It is a condition of all the activities in tourism, and any repercussions of its inadequacy have been readily illustrated on access roads to tourist destinations generally, as well as by such problems experienced at the destinations themselves.

In the past much imaginative planning took place by the private interest in towns and in the countryside, but until recently there was little physical planning and development in tourism in term of co-ordinated and regulated approach. Resort has grown up spontaneously where natural resources provided an attractive setting and transportation links with other centers of populations were created in recent times usually belatedly in response to the demands of heavy traffic, other cities and town built to accommodate industrial and commercial activities and those engaged in them, often found them themselves receiving increasingly volumes of visitor traffic. Substantial tourist facilities were created piecemeal in individual location, others comes to be shared by the residents with the visitors. Bhatia (1983) noted that, facilities are necessary aid to the tourist centre. For a seaside resort facilities like swimming, boating, yachting, surf-riding and such other facilities like dancing, recreation and amusements are an important feature. Accommodation is very basic to any tourist destination. The demand for accommodation including food and lodging should be met by a variety of facilities. The type of accommodation has undergone considerable change since last 25 years. There has been decline in the use of boarding houses and small private hotels. According to Mill and Morrison (1992), infrastructure consists of all the underground and surface developmental construction of a region and comprises:

Water- sufficient quantities of pure water are essential. A typical resort requires 350 to 400 gallons of water per room per day.

Power- adequate supplies of power available to meet peak-load requirements, and compatible type of power supplied to meet target markets destination.

Communication- such as telephone service regardless whether tourist may wish to get away from it.

Sewage/drainage- sewer demand of domestic water demand on the basis of maximum peak demand.

Health care-the health care facilities provided will depend on the number of visitors expected, their ages, the types of activities in which they will engage, and local geographic factor

Streets/highways-the availability of first class roads adds greatly to the accessibility of a region. Roads should be engineered for safety, taking appropriate measured designed to safeguard the highway user.

Transportation terminal- a degree of coordination between the three modes of air, rail and bus to facilitate passenger transfer between modes. Directional and information sign should be easy to see and of a uniform design throughout of modes. Complete information should be provided on the location, fares, schedules, and route of local transportation services.

Security- while on vacation tourists are in an unfamiliar environment. Because of this, the need of assurance regarding their safety is important especially when traveling long distances and to foreign countries.

6. Research Methodology

Data Collection

Using Primary data as an approach, the researcher decided to use questionnaire as data collection instrument. The questionnaires were divided into 5 sections which include section A, B, C, D and E. In section A, the measurement using nominal scale focused on the respondent demographic background. For section B, C, D, and E, initially the measurements were made up of 11, 9, 11, and 12 items respectively. All the measurements were in the form of Likert scale style approach. Part of the measurements were eliminated from the analysis as some of them found to be inconsistent.

Sampling

A total of 200 respondents were selected for the study. Among them were the management or owners working at hotels, resorts, travel agents, tourist guide, batik and songket making that are directly and indirectly involved with tourism industry in the state of Terengganu. Part of the list generated by the State Tourism Board for the year 2006 was the basis of our sampling frame. Others were among businesses in operation throughout the state. The researcher used disproportionate stratified random sampling that require the separation of the defined target population into different group called strata. The researcher defined the target population under 5 categories that consists of hotels, resorts, travel agents, tourist guide, batik and songket making.

7. Finding

Reliability

Table 1: Reliability test result of each independent and dependent

Section	Cronbach's Alpha	N of items
Tourism challenges	0.724	6
Heritage Product	0.819	7
Promotion	0.884	10
Infrastructure	0.913	11

From table 1 above we can confidently decided to further analyzed the data collected as most of the Cronbach Alpha score were relatively good for all variables for the study.

Frequencies distribution analysis

Section A: Demographic

Table 2: Respondent's demographics

Profile (n=200)	Frequency	Percentage%
Gender		
Male	96	48.0
Female	104	52
Race		
Malay	150	75
Chinese	48	24
Indian	2	1
Age		
25 and below	52	26
26-35	93	46.5
36- 45	39	19.5
46 and above	16	8
Workplace		
Hotel	62	31
Resort	20	10
Travel agent	83	41.5
Others	36	17.5
Position		
General manager	17	8.5
Ass. General manager	27	13.5
Head Department	35	17.5
others	121	60.5

The table 2 shows the respondent's demographic. The respondent's were made up of 48 % (96) male while 52 % (104) were female. Majority of the respondents were Malay, followed by Chinese and Indian which accounted 75 %, 24% and 1% respectively. Most of the respondents were between the range 26-35 years which is 46.5%, followed by the range of age 25 and below which is 26%, 36-45 which is 19.5% and only 8% for the 46 and above. Statistic on the nature of workplaces illustrated that 41.5% were from travel agent, 31% from the hotel sector, 10% were from resorts and the rest were from other related tourism industry which made up of 17.5%. Respondent's positions were classified into four categories. It shows that respondent others position with the percentage of 60.5%, followed by Head Department 17.5%. While Assistant General Manager 13.5 %. The rest is General Manager which the 17 respondents.

Analysis on Association

Table 3: Correlations

		Tourism Challenges	Heritage	Promotion	Infrastructure
Tourism Challenges	Pearson Correlation	1	.814(**)	.714(**)	.654(**)
	Sig. (2-tailed)		.000	.000	.000
Heritage	Pearson Correlation	.814(**)	1	.617(**)	.559(**)
	Sig. (2-tailed)	.000		.000	.000
Promotion	Pearson Correlation	.714(**)	.617(**)	1	.684(**)
	Sig. (2-tailed)	.000	.000		.000
Infrastructure	Pearson Correlation	.654(**)	.559(**)	.684(**)	1
	Sig. (2-tailed)	.000	.000	.000	

Heritage Product is significant with the p-value of 0.000 at 0.01 levels. In short heritage product has a strong relationship with the Tourism Challenges in State Terengganu with the correlation value of 0.814. Promotion is significant at the p-value of 0.000 at 0.01 significant levels. Thus promotion as a variable indicated a moderately high correlation with the Tourism Challenges in State Terengganu at the p-value of 0.714. For the last independent variable in this study, infrastructure is significant at 0.000 based on the significant level of 0.01 levels. Again the variable concerning Infrastructure is moderately highly correlated with the Tourism Challenges in State of Terengganu. From the correlation coefficient data interpreted, we therefore concluded that all the testable hypotheses were acceptable.

Cross-Tabulation analysis

Table 4: Respondent gender mean of heritage product cross tabulation

Gender	Strongly agree	%	Agree	%	Neutral	%	Total	%
Male	14	14.7	61	63.6	21	22	96	48
Female	21	20.2	68	65.3	15	14.5	104	52

Table 4 above show the respondents' gender and mean of heritage product cross tabulation. Majority of respondents are agreeing of heritage products that are giving Tourism Challenges in state Terengganu. 21respondents female are strongly agree which is 20.2% if compare with the male respondents that only 14.7%. Only 15 female respondent said that neutral (14. 5%), while 21 male respondents said that neutral (22%)

Table 5: Respondent gender mean of promotion cross tabulation

Gender	Strongly Agree	%	Agree	%	Neutral	%	Disagree	%	total	%
Male	20	20.9	70	73.1	6	6.3	-	-	96	48
Female	26	25.1	60	57.6	16	15.3	2	1.9	104	52

From the table 5, it show the respondent gender and mean of promotion cross tabulation. The result indicated that 20.9% and 25.1% strongly agree for both respondents that are consist of male and female. 73.1% of male respondent are agree while 57.6% of female respondent are agree. 6 male respondents said the neutral statement which is 6.3% and female respondent 15.3%. 2 female respondents are disagree about promotion that effect tourism challenges in state Terengganu. By this, the researcher can conclude that female respondent are know better about promotion that effect Tourism challenges.

Mean Analysis

Means analysis is done to identify the most importance dimension of tourism challenges. The higher the mean value show the most importance tourism challenges.

Table 6: Descriptive Statistics

	N	Minimum	Maximum	Mean	Standard Deviation
Mean for promotion	200	2	5	4.07	.502
Mean for heritage	200	3	5	4.00	.531
Mean for infrastructure	200	2	5	3.48	.621

The mean analysis for the three independent variables which were heritage product, promotion and infrastructure against tourism challenges can be seen in table 6. The above statistic displayed mean value of 4.071 indicating that promotion was most importance in tourism challenges followed by heritage product (4.00) and infrastructure (3.48).

8. Discussion and Conclusion

The focus of this study is to establish whether there were any significant relationship between variables such as Heritage Product, Promotion and Infrastructure as to the tourism challenges in the state of Terengganu. As been widely acknowledged, tourism is one of the most important sectors of the world's service economy. In 1999, revenues from global tourism were approximately $455 billion, resulting from 657 million tourist arrivals (World Tourism Organization, 2000). It is expected that the size of the global tourism market will reach 1,600 million people which is equivalent to 20 per cent of the world population by the year 2020 (World Tourism Organization, 1997). The growth in global tourism presents attractive opportunities to countries that are willing to tailor their natural competitive advantages to the dynamic trends of the global tourism market place.

Tourism industry in the state of Terengganu needed more extensive and effective promotion if the target of achieving approximately 2.7 visitors for the visit Terengganu year of 2008 is to be realized. Among the promotional tools that should be professionally addressed include repeated advertising, bunting, billboard website, media and others like event managements. Beside that, state government need to increase promotion and marketing based on tourists' destination through eco- tourism (island, beach), agro-tourism (Dusun, Taman Herba Peladang Setiu Agro Resort,Pulau Herba) culture-tourism (craft, food) edu-tourism, histro-tourism (monument), sport- tourism, health- tourism and home stay that need to promote more about the tourism product. Our analysis suggested that the usefulness of promotion is undoubtfully essential in attracting more visitors to Terengganu. Effort done by the business sector is still discovered to be inadequate. Doubling the effort needed more fund. Thus it is more appropriate for the state authorities to increase the effort by continuously and heavily promote the destination through all medium that are available through out the nation.

Generally, most manager or operators of SMEs recognized the importance of promotion activities. Unfortunately the main elements of the promotional efforts such as by the billboard, pamphlets, newspapers, magazines, television, and radios advertising were more occasionally presented to the public locally. In fact at international level the effort found to be very rare. In attempting to compliment the above efforts another serious point that deserves attention is marketing on the internet. For travel agencies, the emphasis is still on traditional marketing communication channels such as printed media and telephone (Ozturan and Roney, 2004) even though that the validity of the internet as an advertising and marketing tool has been proven. As marketing on the internet is a very different process from traditional marketing, how to construct and utilize the internet as a marketing tool is becoming a crucial issue. Building a site and advertising it does not guarantee an audience, neither an effective revenue stream, nor a competitive advantage. Many web sites do not incorporate features that exploit promotional media and are rarely integrated with online marketing strategies.

The major factors to be worked out in order to build the confidence of travel agencies in using the internet as an effective marketing tool are: security developed, technology needed and cost effective concerns (Cai et al., 2004; Chen and Yen, 2004; Wan, 2002,). Tourism in Terengganu needed extensive upgrading and infrastructure development in order to attract and maintaining repeated tourist visiting the state. The upgrading quality of facilities and services that connected comfortable, security, and hygienically maintained for the tourist is therefore essential. It is important because word of mouth communications between tourists are present an impact to others. Besides that, in term of development, government need to provide the sufficient infrastructure and facilities at all tourism places such as mosque, toilet, bus terminal and others especially road facilities. This is in line with our investigation revealing that the value of infrastructure is significance and indicating that there is a relationship between infrastructure and tourism challenges.

To what extent does heritage product in the state of Terengganu has been capitalized in promoting the tourism industry has not been extensively addressed and debated by the authorities. Even there were products that could be associated to its historical values, but no serious attempt had been taken to highlight its uniqueness either locally or nationally. Many local businesses believed these type of product were among the event that used to be asked by the tourist, but again not much could be done by the small tourist operators in putting into the main tourist destination agendas as to get into the roadmap requires capital investments. Again the best alternative to be handled should be considered by the government authorities. Knowing the historical development of Terengganu, many people were made to believe that there were quite numerous sites and events that could be attached to the state of Terengganu. These developments will act as the motivational pulling strength for getting more tourists to spend their time in the state.

Local authorities should be more alert as to the strength of business organization and the opinion of their managers. Their opinions in terms of advertising and publicity, employees professionalisms, commercial processing, pricing, product and services offered need to be comprehended and professionally strategies with the assistance from the government authorities either locally, nationally, or internationally. At the moment eventhough support were given but the implementation were very much moderated by the political intervention and social stratification.Our conclusion further confirmed the idea that all the three predetermined variables found to be important in addressing the issue of challenges in tourism industry for the state of Terengganu. However, the inadequacy of addressing the issues has its root at the micro level. There are factors to be blame for the actual situation. If all the abovementioned variables were not able to be tackle in a real business competitive approach, the positioning of tourism industry in the state of Terengganu would definitely be still far away from its neighboring states in Malaysia. What more if the industry was to compete with its Asian neighboring countries?

References

Sekaran, U. 2003. Research Methods for Business, A Skill Building Approach. New York: John Wiley & Sons.

Hudman, L.E &Hawkin D.E. 1989. Tourism in Contemporary Society An Introductory Text. Prentice Hall.

Bhatia A.K. 1983. Tourism Development principles & Practice, 2nd Edition. Sterling Publishers Private Limited.

Mill R.C. 1990. Tourism International Business. New Jersey: Prentice Hall.

Smith, M.K. 2003. Issue in Cultural tourism Studies.1st edition. Routledge tailor& Francis Group.

Mill, R.C & Marrison, A.M. 1993. The Tourism An Introductory text. 2nd edition. New Jersey: Prentice Hall.

Bukkart, A.J & Meldik, S. 1981. Tourism Test, Present, Future. 2nd edition. William Heineman Ltd.

Cooper,C. Fletcher, J. Gilbert, D. Wanhill, S.1993. Tourism Principles and Practice 1st edition.

O'Leary, T .J & O'Leary, L. 2002. Computing Essential. Mc Graw Hill.

Hair. J.F, Babin.B., Money A. H, Samoeul. P. 2003. Essential of Business Research methods John Wiley & Sons. Inc.U.S.A.

Cook.R.A, Yale,L.J., Marqua, J.J. 2006. Tourism The Business of Travel. 3rd Edition. Perason, Prentice Hall.

Hagel, J., Lansing, W.J. 1994. Who owns the customer?. The Mckinsey Quarterly, 4: 63-75.

Hoffman, D.L & Navok T.P. 1996. Marketing in Hypermedia Computer-Mediated environment Conceptual Foundations. Journal of Marketing, 60 (July, 50-68).

Kinder, T. 2002. Emerging e-commerce Business Models : an Analysis of Case Studies from West Lothian, Scotland. European Journal of Innovation Management , 5: 130-151.

Barton, A.D. 2000. Accounting For Public Heritage Facilities- Asset or Liabilities of the Government? Accounting, Auditing & Accountability Journal, 13(2): 219-236.

Graham, T. 2003. Electronic Access to and the Preservation of Heritage Materials. The Electronic Library, 21(3): 22-226.

Dann,N, Worthing, D. 2005. Heritage Organizations and Condition Surveys. Emerald Group Publishing Limited, 23(2): 91-100.

Rowley, J. 1998. Promotion & Marketing Communication in The Information Marketplace. Library Review, 4(8): 383-387.

Vrana, V. 2006. Tourism Agents' Attitudes on Internet Adoption: an Analysis from Greece. International Journal of Contemporary Hospitality Management, 18(7): 601-608.

Evans, P.B., Wurster, T.S. 1997. Strategy and the New Economics of Information. Harvard Business Review, 75 (5): 70-83.

Kini, R.B., Hobson, C.J. 2002. Motivational Theories and Successful Total Quality Initiatives, International Journal of Management, 19(4): 605-14.

Patrick, J.F., Morais, D.D., Norman, W.C. 2001. An Examination of the Determinants of Entertainment Vacationers' Intentions to Revision. Journal of Travel Research, 40: 41-8.

Jones , J.L, Scherer, C.W, Scheufele, D.A. 2003. Exploring Motivations for Consumer Web Use and Their Implication for the e-Commerce. Journal of consumer marketing, 20(2): 90-108.

Tierney, P. 2000. Internet-based Evaluation of Tourism Web site Effectiveness: Methodological Issues and Survey Results. Journal of Travel Research, 39: 212-19.

Wright, T.A. 2003. What every Manager should Know: Does Personality Help Drive Employee Motivation?. The Academy of Management Executive, 17 (2): 131-42.

Lewis, I., Semeijn, J., Talalayevsky, A. 1998. The Impact of Information Technology on Travel Agents. Transportation Journal, 37(4): 20-5.

Law, R., Leung, K., Wong, J. 2004. The Impact of the Internet on Travel Agencies. International Journal of Contemporary Hospitality Management, 16(2):100-7.

Nysen, H., Lexhagen, M. 2001. Sweedish and Norwegian Tourism Website: The Importance of Reservation Service and Value Added Service. Scandinavarian Journal of Hospitality and Tourism, 1(1): 38-44.

Park, C. 2000. A Content Analysis of Travel Agency Web-sites in Korea. Asia Pacific Journal of Tourism Research, 7 (1): 11-18.

Chu, R. 2001. What online Hong Kong Treavelers Look for an Airline/Travel Website?. International Journal of Hospitality Management, 20(1): 95-100.

Govers, R., Jansen-Verbeke, M., Go, F.M. 2000. Virtual Tourist Destinations Assessing their Communication Effectiveness with and through Foreign Intermediaries. Information and Communication Technologies in Tourism, 93-103.

Law, R., Leung, K., Wong, J. 2004. The Impact of the Internet on Travel Agencies. International Journal of Contemporary Hospitality Management, 16 (2): 100-7.

Ozturan. M, Roney, S. 2004. Internet Use among Travel Agencies in Turkey: An Exploratory Study. Tourism management, 25(2): 66-259.

Bedard, F. 2005. Case study of the Successful Strategic Transformation of the 'brick and mortar' Travel Agency into 'clicks and mortar' Business-Lessons Learned from a Small, Independent Travel Agency in Canada. Information and Communication Technologies in Tourism, 417-39.

Law, R., Law, A., Wei, E. 2001. The Impact of the internet on travel agencies in Hong Kong", Journal of Travel and Tourism Marketing, 11(2/3): 105-26.

Wynne, C., Berthon, P., Pitt, L., Ewing, M., Napoli, J. 2000. The Impact of the Internet on the Distribution Value Chain. The Case of South African Tourism Industry. International Marketing Review, 18(4): 420-31.

Maselli, J. 2002. E-Ticketing Threatens Travel Agents. Information Week, 881: 28-9.

Murphy, J., Tan, I. 2003. Journey to Nowhere? E-mail customer service by travel agents in Singapore. Tourism Management, 24(5): 543-50.

Huizingh, E. 2000. The Content and Design of Web Sites: an Empirical Study. Information and Management, 37(3): 123-34.

Beirne, E., Curry, P. 1999. The Impact on the Internet on the Information Search Process and Tourism Decision-Making. Information and Communication Technologies in Tourism, 88-97.

Rayman-Bacchus, L., Molina, A. (2001), "Internet-based tourism services: business issues and trends", Futures, 33(7): 589-605.

Cai, L., Card, J., Cole, S. 2004. Content Delivery Performance of World Wide Web Sites of US Tour Operators Focusing on Destinations in China. Tourism Management, 25(2): 219-27.

Chen, K., Yen, D. 2004. Improving the Quality of Online Presence through Interactivity. Information and Management, 42(1): 217-26.

Wan, C. 2002. The Web Sites of International Tourist Hotels and Tour Wholesalers in Taiwan. Tourism Management, 23(2): 155-60.

Liu, C., Arnett, K.P. 2000. Exploring the Factors Associated with Web Site Success in the Context of Electronic Commerce. Information and Management, 38(1): 23-33.

British Standards Institute. 1986. BS 8210:1986, Guide to Building Maintenance Management. BSI: London.

Chambers, J.H. 1976. Cyclical Maintenance for Historic Buildings. US Department of the Interior: Washington, DC.

Chanter, B. and Swallow, P. 1996. Building Maintenance Management. Blackwell Science: Oxford.

Chartered Institute of Building. 1990. Maintenance Management: A Guide to Good Practice, CIOB: Ascot.