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EXPLORING THE RELATIONSHIP BETWEEN CONFERENCE TOURIST'S EXPENDITURE, EXPERIENCE AND SATISFACTION: A CASE STUDY OF KLCC, MALAYSIA

Jeetesh Kumar

ELM Business School, HELP University, Kuala Lumpur, Malaysia

ABSTRACT

The business tourism sector is recognized as a high-yield component of the tourism industry with hedonic economic impacts on businesses, destinations, and local economies, and the development of human capital, and considered as one of the fastest developing and most profitable sectors. Therefore, the current research was set out to investigate the size and economic value of business tourism markets in Malaysia, which then highlight the micro areas of business tourists' expenditure and experience, and present a model defining the total economic impact (direct, indirect, and induced), and contribution to employment and tax revenue generated for Malaysia. While keeping in mind the importance of conference tourism, the current research aimed to evaluate the conference tourists' satisfaction level for their experience and expenditure in the Kuala Lumpur Convention Centre (KLCC). Having quantitative in nature, 378 surveys were collected by using the nonprobability convenient random sampling technique. The major findings of the research showed that an average spending of conference tourists was \$2,644 with an average staying period of 3-6 nights. The overall participants were satisfied which leads towards re-visiting Kuala Lumpur/ Malaysia in next three years. The experience was good except for few places mentioned in the finding part that need some improvements. Further recommendations and implications are discussed in the paper.

Keywords: ConferenceTourism, Expenditure, Experience, Satisfaction, KLCC

INTRODUCTION

Tourism is a major source of foreign exchange earnings, generator of personal and corporate incomes, creator of employment and contributor to government earnings. It is a dominant international activity surpassing even tradeoil and made product. Economists have studied the results of the tourism industry on the economy. The meetings, incentive, convention, and exhibition (MICE) industry is very large and growing. According to an article by Meetings and Conventions (2006), the spending on meetings was near \$103 billion with "the total number of meetings held was up across the world". Corporate events rose 6 percent to almost 1.1 million events; association meetings increased by 8 percent to 227,000 events; and 13,000 conventions were held in 2007 (Braley, 2008).

According to DMAI (2008), many of the convention centres developed in the last three decades were used as "loss leaders," contributing essential economic activity that drove new tax revenues, economic benefit, and employment from other services and establishments such as hotels, restaurants, and retail stores. Conference tourism is one of the fastest growing types of tourism and turning into significantly common as a method to regenerate native economies. In keeping with International Congress and Convention Association (ICCA, 2013), tourism can be divided into leisure and business tourisms. Similarly, Tang, Jones and Webb (2007) mentioned that conference tourism is the key sectors of the worldwide business tourism industry that is growing and maturing at a fast rate. It has long been recognized as a sector that pulls remunerative direct and indirect revenues for host destinations. Besides, it conjointly creates employment opportunities and generates exchanges. As a consequence

of these major characteristics, the quantity of destinations vying for this young and dynamic trade is extraordinarily increasing.

For the year 2014, Tourism Malaysia (Facts and Figures, 2014) reported international tourist arrivals as 27.44 million and international tourism receipts as RM72 billion. The industry is expected to continue growing with arrivals rising from 27.44 million in 2014 to 36 million in 2020 and RM168 billion tourist receipts (etp.pemandu.gov.my). The concept of tourist satisfaction is derived from the theory of customer satisfaction. The pioneering studies of Cardozo (1965), Olshavsky and Miller (1972), and Anderson (1973) were among the earliest works of customer satisfaction. In addition, researchers have also focused on studying the satisfaction of tourists with specific service providers of the destinations, such as hotels (Akama&Kieti, 2003; Crompton & Love, 1995) and travel agencies (Macintosh, 2002; LeBlanc, 1992). Several studies have examined the importance of destination that attributes for conference attendees, delivering inconsistent findings. One group of researchers found that the most important destination attributes for meeting attendees were accessibility, followed by safety/security, hotel facilities, and tourism attractions (Lee & Back, 2007). Another group of researchers found that activities, opportunities, and networking, the convenience of the conference, education benefits, and products and deals were important factors to the attendees in deciding whether to attend the conference or not (Severt, Wang, Chen, & Breiter, 2007). Significant differences were found in the perceived importance of the site selection criteria among the end-users, conference organizers, and conference directors of sales/marketing (Qu, Li & Chu, 2000). Hotel room rates and rental fee of the venue are perceived important by the end-users and organizers more than by directors of sales/marketing. Infrastructure system and cost of transportation are perceived important by the end-users more than by directors of sales/marketing. On the other hand, the end-users and directors of sales/marketing perceived square footage available for the conference to be less important than did the organizers. Tourist preferences may also influence their expenditure (Murphy, 1985). Individual preference influences a traveller's perception of destinations, and preferences are based on an individual's personality (Murphy, 1985). Travellers from different regions may have different preferences, thus influencing their tendency to spend money in the destination. The perceived cultural distance will influence tourist preference as well.

Year		2013	2014
Malaysia			
	World Ranking	35	30
	Asia Pacific Ranking	9	7
Number of International Conference		117	133
Kuala Lumpur			
	World Ranking	33	28
	Asia Pacific Ranking	10	8
Number of International Conference		68	79

Table 1: ICCA Ranking and Number of International Association Meetings, Malaysian and Kuala Lumpur, 2013-2014

Source: International Congress and Convention Association (ICCA, 2014)

The current research aimed to find out the satisfaction level of conference tourists for their experience and expenditure as it is very much important to identify the lacking to improve the performance level and consistency in conference tourism. By enhancing the quality level, Malaysia can attract more conference tourists in future. This research can also be helpful to the government of Malaysia also to promote the conference tourism regionally and worldwide. The tourism industry can attract many tourists and more foreign inflow for business purposes as well as leisure by promoting many destinations in Malaysia.

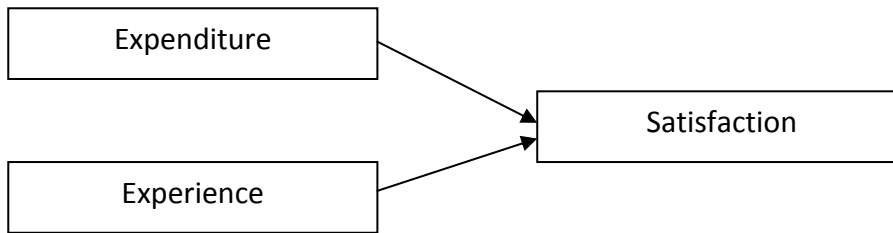


Figure 1: Framework for the Study

METHODOLOGY

According to Veal (2005), the quantitative research involves the gathering and analysis of numerical data, as it relies on numerical evidence to provide socioeconomic demographic and descriptive statistics, and draw conclusions or answer research questions, including a survey questionnaire approach commonly used. Quantitative research approach has been used in this study with conference tourists attending conferences at the Kuala Lumpur Convention Centre (KLCC), Malaysia, in November and December 2014 targeted for data collection. The KLCC is a component of the Kuala Lumpur City Centre and is managed and operated by Convex Malaysia SdnBhd, a joint-venture company between KLCC (Holdings) SdnBhd and AEG Ogden Pty Ltd, Australia. Three conferences were selected on the basis of purposive sampling technique (Amick& Walberg, 1975). After permission had been gained from the organizers, questionnaires were distributed among international tourists during the conferences on non-probability convenience random sampling technique (Aaker, Kumar, Day & Leone, 2010). However, only n=378 (sample size) surveys were found to be useful, representing 90.65% response rate from the original sample (n=417) and 10.36% response rate from the original population (N=3,650). This only indicates the actual population sample size which is more than the 10% acceptable level (Kleinbaum, Kupper& Muller, 1988). The survey instrument was based on three (3) major sections and demographics. The first section comprises "travel information", second section "tourists' spending in US\$" and the third section "tourists' experience" with rating scales data questions 'one (1) being poor' and 'five (5) being excellent'. Furthermore, there were two questions specifically for the 'best' and 'least' about the KL city; questions were included in this section on tourists' re-visit intention and tourists satisfaction on 'spending on this particular conference justify your visit/experience' in the city.

Findings

Demographics of the Respondents

The demographic breakdown of the sample in Table 2 shows that 64% of the respondents were males. The majority of the respondents fell under the age group '31-40' (33%) and '41-50' (31.7%), which represents mature conference tourists in age. In the case of income level, most of the respondents had a monthly income ranging between '\$4,001-5,000' (32%) and '\$2001-3000' (23.5%), which represents that conference tourists belong to a high-income group. In terms of participation, the majority of the participants were international (70.6%), which represents that Malaysia has potential to attract a big number of international business tourists. In terms of residential country status, the majority of the respondents were found to be Indians (19.8%) and Americans (7%).

Profile	Frequency	Percentage (%)
Gender		
Female	136	36%
Male	242	64%
Total	378	100%
Age		

Below 30	30	7.9%
31-40	125	33.1%
41-50	120	31.7%
50 or above	103	27.2%
Total	378	100%
Monthly Income (\$)		
Less than 1000	34	9%
1001-2000	64	16.9%
2001-3000	89	23.5%
3001-4000	63	16.7%
4001-5000	121	32%
5001 or above	7	1.9%
Total	378	100%
Type of Participant		
International	267	70.6%
Regional	111	29.4%
Total	378	100%
Country of Origin (Top 5)		
India	75	19.8%
USA	27	7.1%
Indonesia	22	5.8%
China	19	5%
Singapore	17	4.5%
Others	218	57.7%
Total	378	100%

Table 2: Demographic Breakdown of the Sample Size (n = 378)

Travel Information of the Respondents

As shown in Table 3, most of the respondents travelled to KL/Malaysia by air (98.4%). In the case of respondents' preference in traveling with a specific airline/s company, all of these tourists travelled with 32 different airlines companies with Malaysian Airlines (40%) as the top airline preference. Almost 83.1% of the respondents used the economy class as one reason for choosing the particular airline/s, 27% on trusted airline and in the case of flying passage, 57% of the respondents had the opportunity to have direct flights. In the case of tourists traveling with companion/s, 52.4% respondents came alone and 47.3% came up with friends, colleague or family members. The average length of stays of tourists ranged from 3-6 days (78%) in 54 various hotels in the city. The most preferred hotels include Traders (12.7%), Renaissance (11.4%), Impiana (11.4%), Crowne Plaza (8.7%) and Novatel (7.1%).

	Frequency	Percentage (%)
Came to Malaysia?		
By Air	372	98.4%
By Land	6	1.6%
Total	378	100%

Airline (Top 5)		
N/A	6	1.6%
MAS	151	39.9%
Emirates	32	8.5%
Thai Air	22	5.8%
Qatar Air	21	5.6%
KLM	20	5.3%
Others	126	33.3%
Total	378	100%
Air Class		
N/A	6	1.6%
Economy class	314	83.1%
Business class	58	15.3%
Total	378	100%
Reason for choosing Particular Airline		
N/A - None	31	8.2%
Low cost	71	18.8%
Good package	52	13.8%
Trusted airline	102	27%
Recommended by conference Organizer	78	20.6%
Loyalty programme benefits	13	3.4%
Others	31	8.2%
Total	378	100%
Flying Passage		
N/A - None	7	1.8%
Transfer	23	6.1%
Connecting flight	133	35.2%
Direct flight	215	56.9%
Total	378	100%
Traveling with Companion		
None	198	52.4%
Friends	128	33.9%
Family (e.g. spouse/partner or children)	52	13.8%
Total	378	100%
Extension of stay in Malaysia		
Yes	56	14.8
No	322	85.2
Total	378	100.0

Hotel Accommodation (Top 5)		
Traders	48	12.7%
Renaissance	43	11.4%
Impiana	43	11.4%
Crowne Plaza	33	8.7%
Novatel	27	7.1%
Others	184	48.7%
Total	378	100%

Table 3: Tourists' Travel Information (n = 378)

Expenditure of the Respondents

Table 4 shows tourists' spending while visiting KLCC during attending conferences. The table below shows that respondents paid their conference registration fees in the average of US\$597. The average of US\$799 was for the International air face cost and US\$46 for the domestic flight. The cost of hotel/accommodation was almost at the average of US \$529, US\$78 on the local cultural shows and US\$75 on the local transportation. Almost US\$147 was spent on food and beverages and the average spending on shopping was below US\$200. In total, an average spending of the respondents was almost US\$2,644, which means that an average expenditure for a conference tourists was RM11,233 (conversion as of 12 December 2015 from www.xe.com).

Areas of Spending	Mean/ Average
Conference Registration Fee(s)	\$597
Cost of International Airfare (if Malaysian Airlines or Air Asia is used)	\$799
Cost of Domestic Airfare	\$46
Cost of Hotel/Accommodation and Other Logging Services	\$529
Cost of Local/Cultural Tours (including entrance fees for attractions)	\$78
Spending on Local Transportation (rails, public busses & taxis etc.)	\$75
Spending on Food and Beverage	\$147
Spending on Shopping (purchase of personal goods, gifts, souvenirs etc.)	\$190
Spending on Leisure Activities (pubs, cinemas, adventure sports)	\$53
Other Spending (such as private car hires, personal guide etc.)	\$130
Total Net Spending	\$2644

Table 4: Tourists' Expenditure (\$)

Experience and Satisfaction of the Respondents

Table 5 demonstrates that respondents' experience had relatively high perception scores (mean ≥ 3.5) regarding 'Conference Venue', 'International Airline Company', 'Point of Entry/Customs/Immigration', 'Hotel/Accommodation and Other Logging Services' 'Restaurants' and 'Conference organization' (for the host company). However, there was a relatively low perception score (mean ≤ 3.5) for 'Domestic Airline Company', 'Local/cultural tours and tourism products (e.g. sightseeing, visiting historical places/museums, parks and other attractions)', 'Local transportation (rails, public busses & taxis etc.)', 'Shopping facilities (such as shopping malls and retail outlet stores)' and 'Leisure activities (e.g. pubs, cinemas, adventure sports)'. The low perception scores

represent that the tourists who attended a conference at KLCC were sensitive in the said low perception areas, which need considerable efforts for improvements to sustain a fruitful tourists' experience. In addition to these experiences, respondents had noted some concerns such as on 'traffic jam and parking problems in the city', 'monorail facilities to be expanded and improved', 'attitude of immigration officers at the airport', 'long waiting queues in customs hall of the airport', 'welcome reception of some hotels was poor and hotels to improve on the services', and 'free Wi-Fi zone inside KLCC conference venues'. These were some of the issues raised by the respondents that are useful for concerned authorities to consider in their future plans to further improve their services and facilities.

Furthermore, Table 5 shows that more than 50% of the respondents were likely to re-visit KL within the next three (3) years as shown in the respondents' overall experience. This only validates respondents' high perception (mean=4.58) on 'their spending at conference justifies their visit/experience in KL' implies that tourists were overall satisfied and happy.

Areas of Experience	Mean	Standard Deviation
Conference Venue	4.37	0.933
International Airline Company	3.50	1.584
Domestic Airline Company	1.40	1.943
Point of Entry/Customs/Immigration	3.63	1.401
Hotel/Accommodation and Other Logging Services	3.77	1.269
Local/cultural tours and tourism products (e.g. sightseeing, visiting historical places/museums, parks and other attractions)	2.62	1.932
Local transportation (rails, public busses & taxis etc.)	3.24	1.476
Restaurants	3.60	1.260
Shopping facilities (such as shopping malls and retail outlet stores)	3.48	1.618
Leisure activities (e.g. pubs, cinemas, adventure sports)	2.78	1.937
Conference organization?(for host company)	4.15	1.026
Revisit Kuala Lumpur within next 3 years	2.28	0.725
Spending on this particular conference justify visit/experience (overall satisfaction) in Kuala Lumpur/Malaysia	4.58	1.285

Table 5: Tourists' Experience and Satisfaction

Conclusion

This study has highlighted some important issues. The result of the tourists' experience suggests that the conference organizers, Kuala Lumpur Convention Centre and the city council should improve the performance of the following attributes to overcome the tourists' satisfaction level for their expenditure during the stay, namely, 'Local/cultural tours and tourism products (e.g. sightseeing, visiting historical places/museums, parks, and other attractions)', 'Local transportation (rails, public buses and taxis etc.)', 'Shopping facilities (such as shopping malls and retail outlet streets)' and 'Leisure activities (e.g. pubs, cinemas, adventure sports)', because they are the items of experience where tourists scored low perception. It is very much obvious as tourists could not find proper facilities and faced

the problem that made them spend less for the above items. For some of the attributes, tourists were happy with 'Conference Venue', 'International Airline Company', 'Point of Entry/Customs/Immigration', 'Hotel/Accommodation and Other Logging Services' 'Restaurants' and 'Conference organization (for host company)', and they spend more as the overall average spending of the tourists was \$2644 and stay for conference tourist was 3-6 days/nights. Overall, they were satisfied and more than 50% tourists were willing to come back to Malaysia within next three years. The study found that conference tourists paid more attention to meeting facilities, hotel service quality, local transportation and traffic jam/ parking problems in the city, the attitude of the immigration officers at the airport and long queues in the customs hall of the airport. Hence, the airport management and concerned authorities should consider and plan accordingly for the future to improve and sustain the big number of business tourists in terms of satisfaction. Conference tourists are less sensitive to the prices and cost of the trip as these are usually paid by their companies. This also explained why the MICE industry can be used to overcome the seasonality of tourism industry. The regression analysis showed that the conference venue, international airline company and conference organization were the most important predictors of tourists' overall satisfaction of their expenditure. The implication from this is that the concerned authorities like the Ministry of Tourism and the Convention Centre should pay more attention to maintaining as well as improving service quality to create satisfied customers.

Furthermore, airline operators should offer reasonable prices to retain their customers. This is because the prices of hotel rooms and food have increased too much during business event times, making many conference tourists to choose to stay in hotels near the Kuala Lumpur Convention Centre. In addition, improving recreational facilities and offering more interesting tourist attractions are effective ways to generating more revenue from the conferences. This is because many attendees may choose to participate in some tourism activities before or after the conferences. This could generate additional income for the destination. To achieve this aim, the facility organizers should cooperate more closely with the local travel agencies and provide more information on the tourist products to the attendees while promoting the conferences. In order to attract a big number of conference tourists to take advantage of economies of scale, effective and competitive management are very much important. Therefore, the state and national government may consider using price control again in order to keep the price within an acceptable range.

This study provides useful information about conference tourists' satisfaction, their experience and overall expenditure, which can be used for future tourism planning and control. The study suggests that the conference organizers and city government should improve the performance of these attributes to meet tourist expectations. The strengths and weaknesses of the KLCC were identified from the three conferences. The study found that tourists' experience and expenditure have positive effects on overall satisfaction; conference venue, international airline and conference organization are the important affecting factors. The study has some limitations as well. First of all, the current study only included three big conferences being held in the KLCC. The results should be interpreted with caution, as they may not be able to generalize for other conferences in other destinations. To cope with this, the study selected the largest three conferences in KLCC. In addition, there was a difficulty in data collection as tourists were busy in presenting their research papers and visiting several booths in the centre due to a number of exhibitions was also taking place. The sample size of the study was relatively small, which may not be able to reflect the perceptions of all the participants of the three conferences.

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For Editorial, Subscription Information:

Editor - IJOHAT

89, Ansal Pradhan Enclave,
E-8 Arera Colony,
Near Dana Pani Restaurant,
Bhopal – 462039, INDIA

Phone: +91 755 3040713, +91 9303184284

Email: ijohat@sswaar.com, soniagupta@sswaar.com

Web: <http://www.ijohat.sswaar.com>