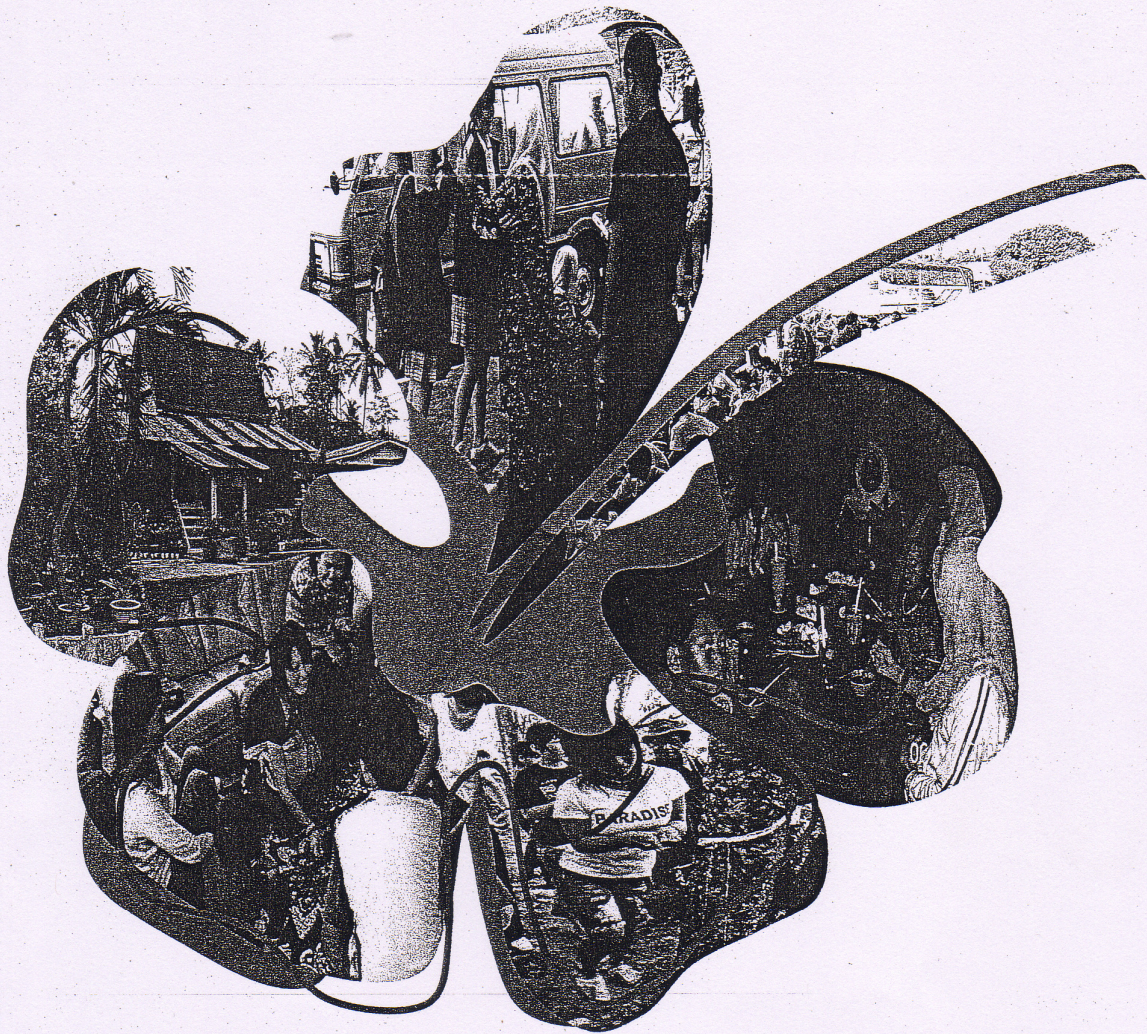


EXECUTIVE SUMMARY

STUDY ON THE DEMAND, EXPECTATIONS AND SATISFACTION LEVELS OF JAPANESE YOUTHS AT HOMESTAYS IN MALAYSIA



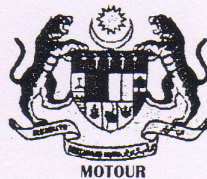
Prepared for :



MOTOUR

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JUNE 2006



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Introduction



The homestay programme is becoming an integral component of rural tourism in Malaysia. Given the lack of research on customer needs and preferences, most of the existing homestay programmes in the country are targeting the 'reliable' Japanese youths' market segment, spurred by the success of pioneer homestay such as Kg. Desa Murni in Pahang.

Therefore, it is timely that research on this phenomenon is carried out to ensure the economic and social sustainability of the homestay programme. The output from this study will assist the planning, management and promotion of the homestay programme in Malaysia.

This executive summary will, firstly, present the goal, objectives of the study, scope and research method adopted. Subsequently, it will summarise the main findings, and issues and potentials of the study. Finally, it will present the recommendations in the form of actions covering organisation and coordination, product development, marketing and human resource development.

Goal of the study

The goal of this study is:

"To improve the quality of the tourist experience and trip satisfaction of the Japanese youths' market segment attracted to the homestay programme in Malaysia".

Objective of the Study

Thus, the main objectives of the study are:

- i. To determine the tourist experience that the Japanese youths' market segment expects in relation to the homestay programme in Malaysia.
- ii. To examine the positioning of Malaysia's tourism products, notably homestays within the syllabus and curriculum of Japanese schools and universities.
- iii. To analyse the trend in the arrival of Japanese youths
- iv. To evaluate the expectations and satisfaction levels of the Japanese youths' market during the pre-arranged itineraries organised by the homestays in Malaysia.
- v. To assess the level of social interaction and bonding between hosts and guests through the homestay programme in Malaysia.
- vi. To identify problems and shortcomings associated with the homestay programme from the perspective of the Japanese youths' market segment.
- vii. To evaluate the effectiveness of the marketing and promotion of the homestay programme in Japan.
- viii. To benchmark the quality of the homestay programme in Malaysia against similar programmes in Thailand and Singapore.
- ix. To recommend infrastructure and human resource development to improve the product and service quality of the homestay programme in Malaysia from the perspective of the Japanese youths market segment.

Introduction

Scope of the Study

The scope of the study is focused on the following aspects:

- i. Assessment of the demographic and socio-economic characteristics of the Japanese youths' market segment.
 - ii. Evaluation of Malaysia's tourist image notably the homestay programme.
 - iii. Investigation into the system of operation of Japanese youth tour packages to Malaysia's homestays.
 - iv. Assessment of trends in tourist arrivals
 - v. Assessment of tourist experience
 - vi. Evaluation of tourist satisfaction
 - vii. Benchmarking
- ii. Tracking exercise carried out at major (youth) tourist generating cities in Japan using questionnaire survey.
 - Intended to solicit the response of Japanese youths who had previously participated in the homestay programme
 - Tracking exercise in Japan are from 26 June to 3 July 2005



Study Approach

This study approach is divided into 4 stages and is graphically shown in figure 1.0

Stage 1 – Desk Study

The desk study involved a review of:

- Literature related to youth/educational tourism and the homestay programme
- Relevant government policies
- Data were based on secondary sources such as reports, publications and previous documents.

Stage 2 – Data Collection

Stage 2 is data collection and the research instruments that were applied are as follows:

- i. Questionnaire survey conducted at selected homestays in Malaysia.
 - Non-probability sampling
 - The sample is representative of the main tourist-generating cities related to homestays i.e. Fukuoka, Osaka, Kobe and Tokyo.
 - field work was conducted between May to September 2005

- iii. Semi-structured interviews with relevant government officials, related tour operators, homestay operators/associations, NGOs (both in Malaysia and Japan)

Essentially, the face-to face interview was the most effective method, in which 451 usable questionnaires were collected. In total, the sample size was 550 (Table 1.0).

Table 1.0: Sample size

Research Instrument	Sample	Percentage (%)
Post	88	16
Survey	451	82
E-mail	11	2
Total	550	100

Source: Field work, 2005

Introduction



Stage 3 – Analysis and Synthesis

The analysis was carried out using statistical tools such as frequency distribution and regression. In addition, the SERVQUAL technique was applied to identify the gaps

between the expectations of the tourists and their trip satisfaction. The outcome of the analysis using SERVQUAL provided the basis for synthesising the issues, constraints and prospects.

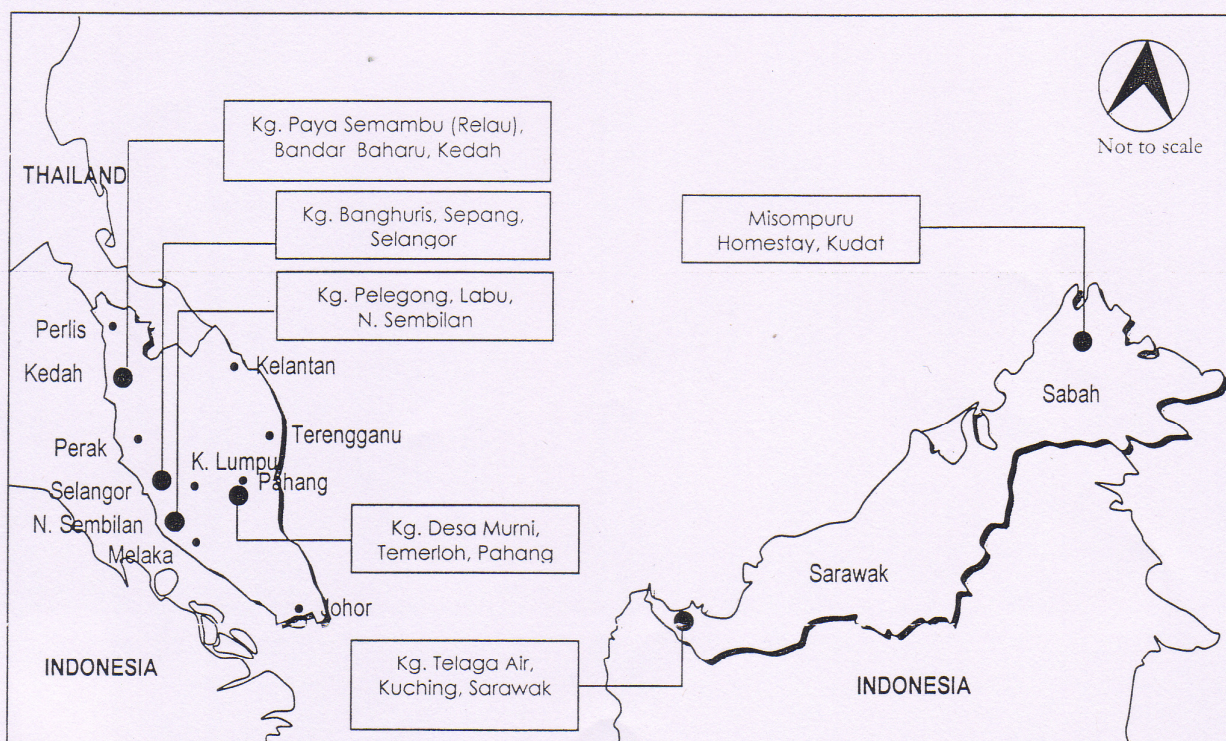
Stage 4 – Recommendations

The final stage consists of the formulation of recommendations to improve the quality of the tourist experience and products associated with the homestay programme in Malaysia.

Study Area

Six of the most successful homestays in Malaysia were selected as study areas based on the common feature that each homestay is highly dependent on the Japanese youth market segments. The study areas are:

- Kg. Paya Semambu, Kedah
- Kg. Banghunis, Selangor
- Kg. Pelegong, Negeri Sembilan
- Kg. Desa Murni, Pahang
- Misompuru homestay, Sabah
- Kg. Telaga Air, Sarawak



Introduction

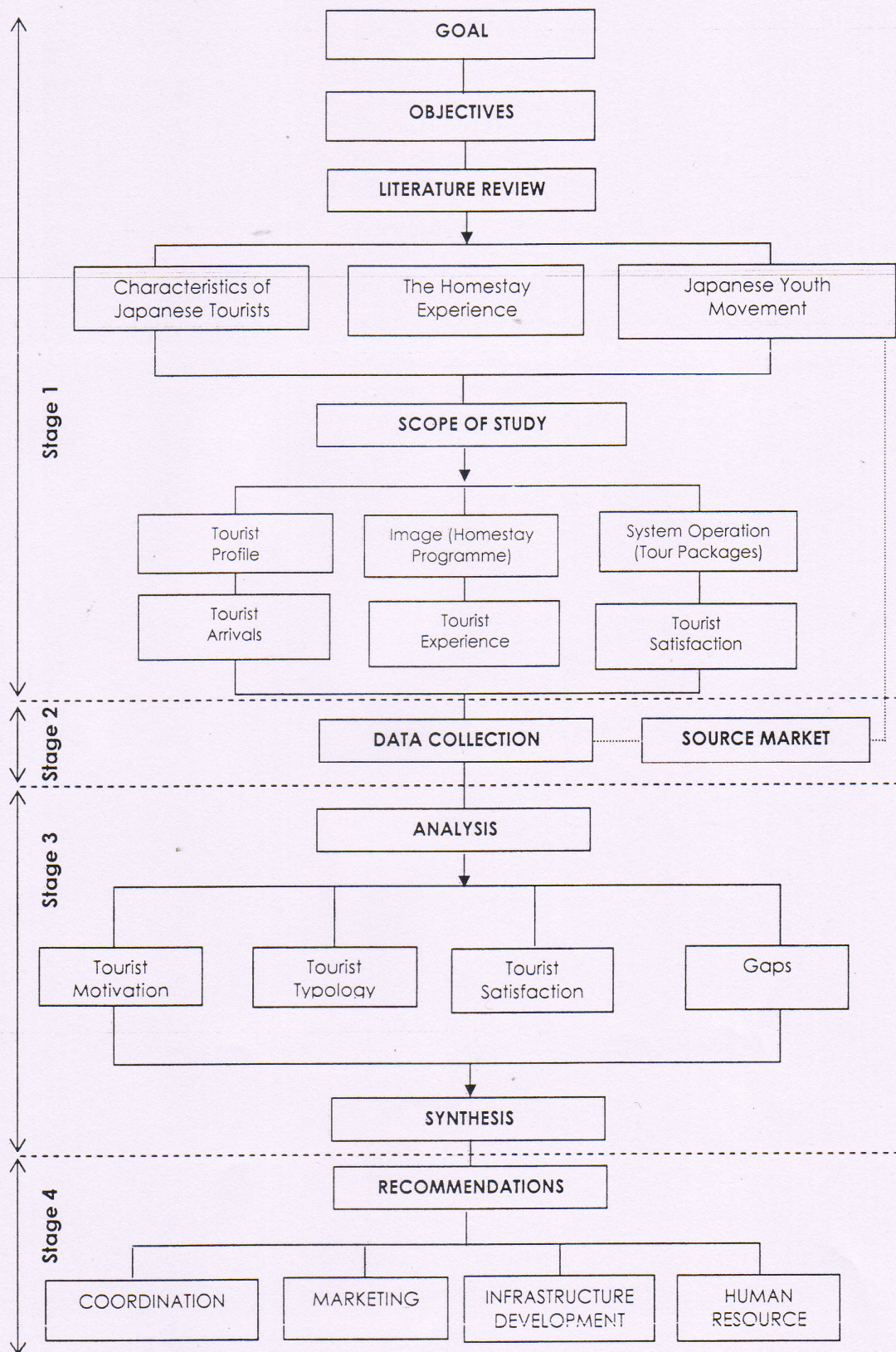


Fig. 1.0: Study Flow Chart

Overview of homestay in Malaysia

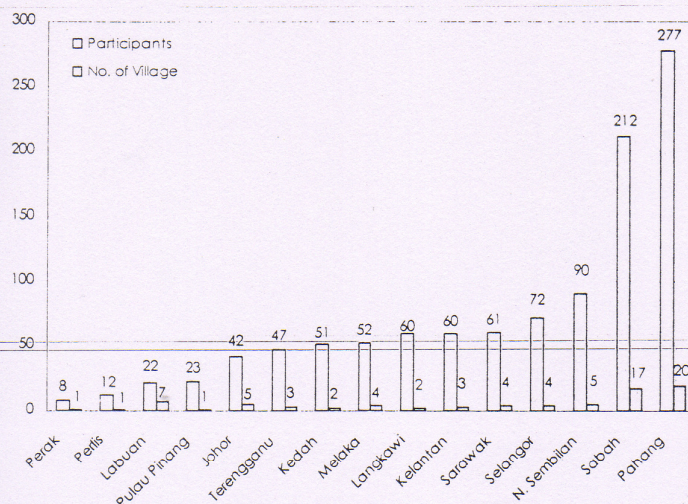


Fig. 3.0: Distribution of Homestay Participants in Malaysia

Source: MOTOIR, 2005

Homestay Desa Murni

Kampung Desa Murni in Pahang can be regarded as a model homestay programme.

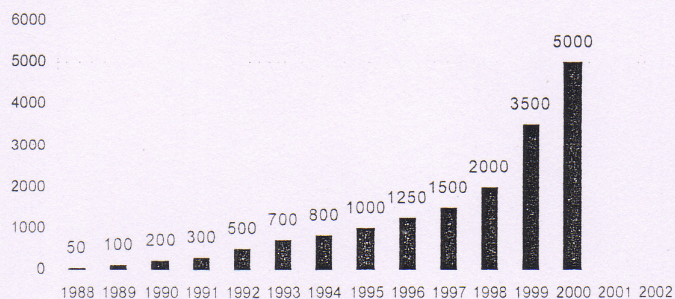


Fig. 4.0: Tourist Arrival to Desa Murni 1988-2000

Source: Fazliana Pazin, 2004

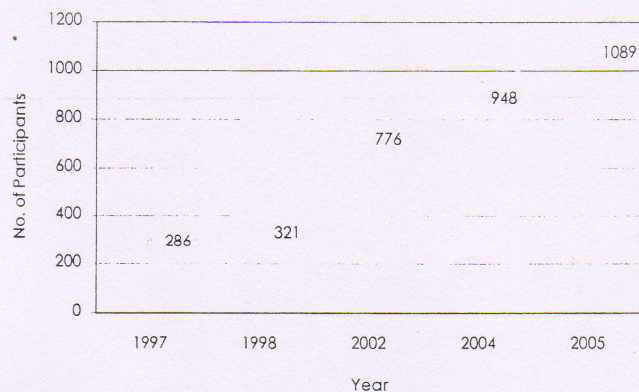


Fig. 2.0: Total Number of Homestay Participants, 1997 - 2005

Source: MOTOIR, 2005

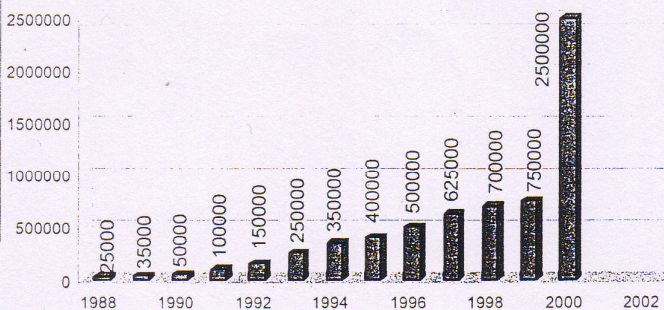


Fig. 5.0: Gross Income for Desa Murni Homestay

Source: Fazliana Pazin, 2004

Overview of homestay in Malaysia

Banghuris Homestay

In 1992, Kg. Hulu Chuchoh was voted the Most Beautiful Kampung in the State of Selangor. In 1993, the kampung became a 'model village' and a showpiece not for its homestay programme but for its outstanding rural development/ kampung beautification projects, and began to receive visitors from local government agencies

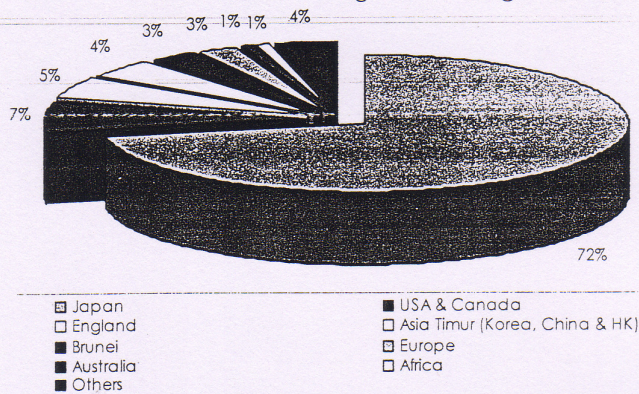


Fig. 6.0: International Tourist Arrivals by Country of Origin, 1995 - 2005

Source: Banghuris Homestay Coordinator, 2005

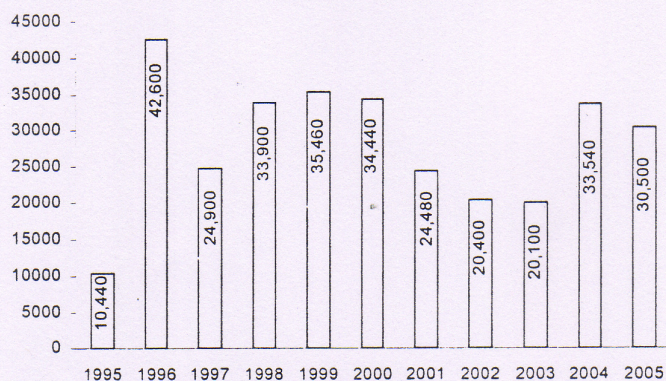


Fig. 7.0: Income from Kg. Banghuris Homestay Programme, 1995 - 2005

Source: Banghuris Homestay Coordination, 2005

Relau Homestay

The Kg. Relau Homestay is located at Kg. Paya Semambu, Mukim Relau, Kedah, close to the border with North Perak and South Seberang Perai (Penang) with a time-distance of 45 min. from Penang. There are 7 kampungs within the Relau Mukim and Kg. Paya Semambu occupies an area of 384 ha. with a population of 485 persons/78 families.

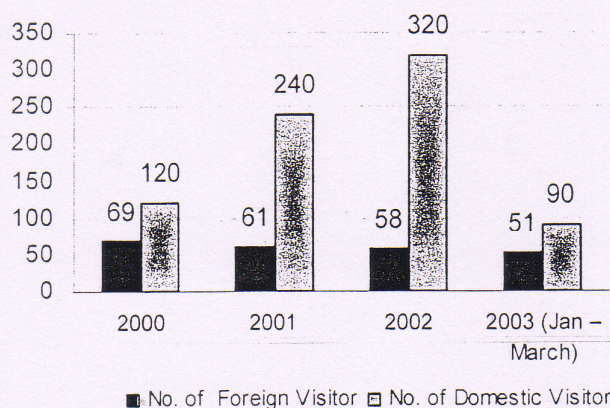


Fig. 8.0: Number of Tourists to Relau Homestay, 2000 - 2003

Source: Relau Homestay, 2003

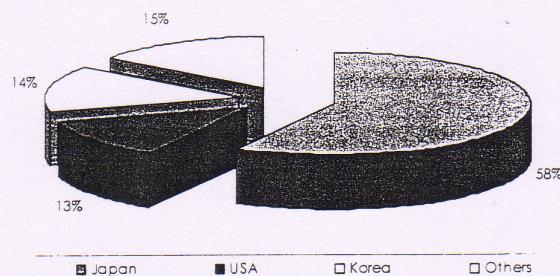


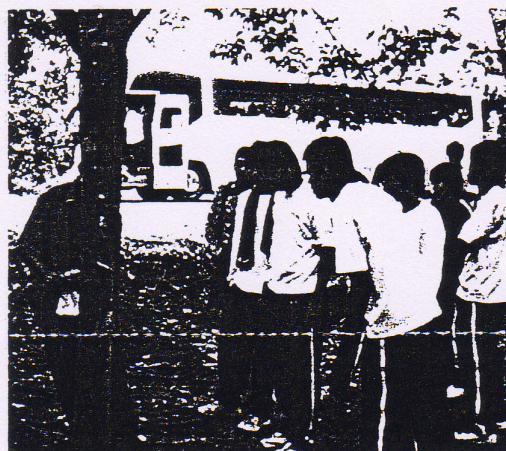
Fig. 9.0: International Tourist Arrivals by Country of Origin, 2000-2004

Source: Relau Homestay, 2004

Table 2.0: Total Income from Relau Homestay, 2000 - March 2003

Year	TOTAL (RM)
2000	71,320
2001	119,150
2002	187,575
2003	42,780
TOTAL	420,825

Source: Relau Homestay, 2004



Japanese youths' market segment



Japanese Youths' Market

Malaysian tourism industry has only managed to penetrate less than 5% of the Japanese youth market (pers. comm. Wan Mohd. Asri, Japan Travel Bureau, 2005).

under 10 teens 20's 30's 40's 50's 60 and over

TOTAL								
94	2.3%	5.2%	28.2%	18.5%	18.9%	15.6%	11.3%	total (100%) 13,578,934
99	2.0%	5.4%	24.9%	19.7%	15.7%	17.8%	13.5%	total (100%) 13,578,934
03	1.3%	4.5%	20.1%	22.6%	16.8%	18.6%	14.2%	total (100%) 13,578,934
04	3.2%	4.8%	18.5%	22.2%	17.2%	18.7%	15.4%	total (100%) 13,578,934

Fig. 11: Japanese Overseas Travellers by Age and Sex

Source: Ministry Of Land, Infrastructure and Transport Based On Data from the Ministry Of Justice

Japanese youths of between 11 to 30 yrs. constituted about 23% of the total Japanese travellers in 2004 or around 3.2 m. Out of this, 4.8 % were between 11 – 19 yrs. and 19% were in their 20s. In 2004, a total of 651,788 Japanese school children travelled overseas mainly on educational tours and Malaysia was only able to capture around 1% of the market

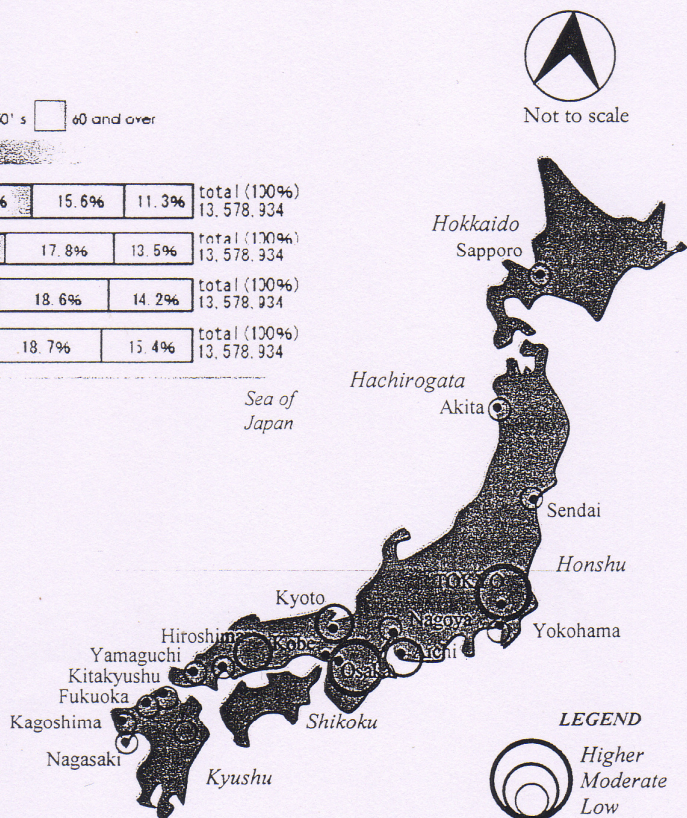


Fig. 12.0: Distribution of Schools That Participate in Homestay Programme in Malaysia by Prefecture

Source: Field work, 2005

Japanese youths' market segment

Educational Tour

Educational tours can be divided into two categories:

- i. Curriculum-based ones that are directly linked to the lessons taught in the classroom
- ii. Extra-curricular excursions.

By 2004 a total of 268 high schools in Japan provided overseas field trips involving 54,000 students (Japan Ministry Education and Foreign Exchange, 2005).



System of Operation

Educational tours involving Japanese schools are administered by the Ministry of Education Japan (MONBUSHO) which vets and approves the list of partner schools abroad. The related schools in Japan then liaise with tour operators, usually specialist operators such as the JTB, to select the partner institution in the country that has been chosen as the destination for the school trip

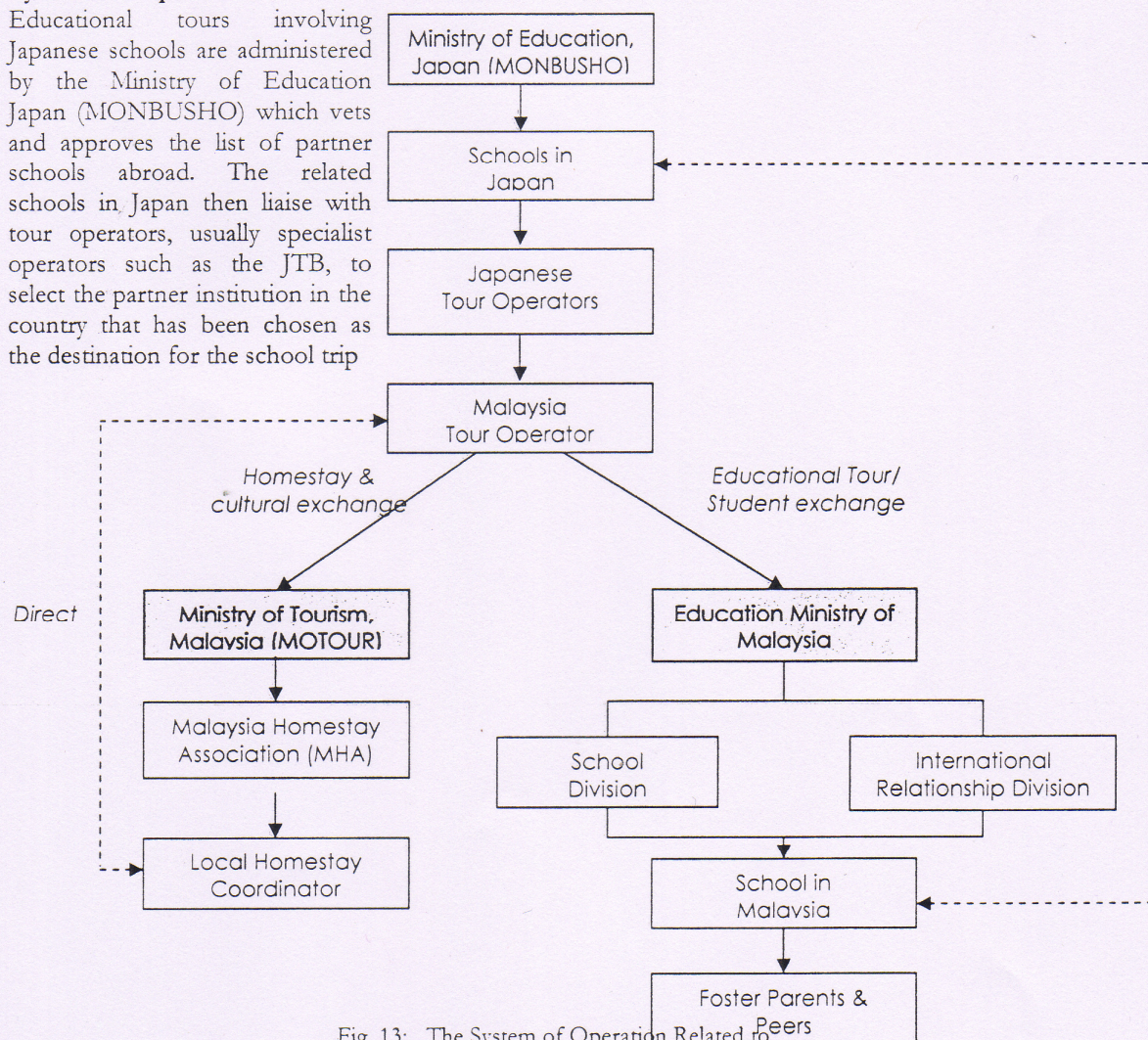


Fig. 13: The System of Operation Related to
Homestay Trips/Educational Tours

Source: Field work, 2005

Finding of tourist survey



Tourist Profile

The profile of the respondents can be summarised as the following:

- About 60% were males.
- Almost half (48%) were from the Tokyo region, followed by Okinawa (24%) and Hyogo (15%).
- The majority (92%) were high school students and only 7% were university students.
- The majority (95%) came to the homestay sites through school/educational trips organised by their school/university.
- The majority (81%) visited the homestays as part of their school curriculum and assignment.
- About 60% stayed between 2 to 5 days at the homestay sites and another 30% only made day visits.
- The majority (94%) came to know about the homestay sites through their school.
- About 65% of respondents felt that the school trips should be made compulsory because such trips facilitate the learning of foreign cultures and languages.
- Almost half (47%) paid for the trip themselves, 29% were paid by the school/university and 24% were paid by their parents/relatives.
- In terms of expenditure, about one-third (36%) spent 110,000 ¥ - 200,000 ¥ (RM 3,300 - RM 6,000) for the trip to Malaysia.

Tourist Expectation & Satisfaction

In terms of the gaps between their expectations and delivery, the respondents were satisfied with the friendliness and hospitality as well as the authenticity and quality of the food that were served throughout their stay. However, they were marginally satisfied with the bonding between the host and guest, citing the lack of time spent with their adopted family. More importantly, they were dissatisfied with the cleanliness and hygiene aspect notably related to the toilet and bathroom.

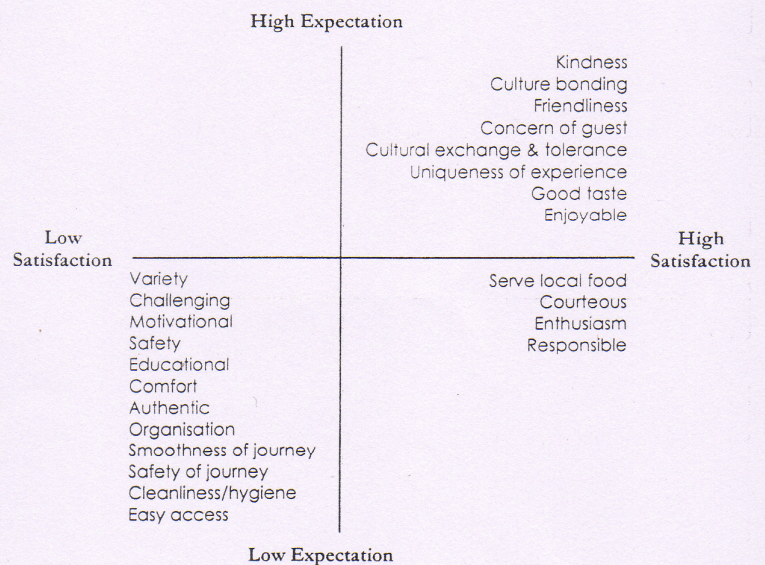


Fig. 15.0: Expectation-Satisfaction Grid

Main finding & Issues

Main Finding

i. Market Share

Japanese youths of between 11 to 30 yrs. constituted about 23% of the total Japanese travellers in 2004 or around 3.2 m. Out of this, 4.8 % were between 11 – 19 yrs. and 19% were in their 20s. In 2004, a total of 651, 788 Japanese school children travelled overseas mainly on educational tours and Malaysia was only able to capture around 1% of the market.

ii. Types of Educational Tours

There are 2 types of educational tours as follows:

- Homestay trips organised by MOTOUR in collaboration with the Malaysian Homestay Association.
- Educational trips/Students Exchange Programmes organised by the Ministry of Education in collaboration with its counterpart (MONBUSHO) in Japan.

iii. Significance of Japanese Youths in Relation to Homestays in Malaysia

At the pioneer homestay, Desa Murni, Japanese youths constitute about 95% of the total tourist arrivals. At the more recent homestays, which received more domestic tourists, Japanese youths are still the dominant group of foreign tourists. The reasons for the close association between Japanese youths to the homestays are three fold:

- The marketing, promotion and training related to the homestay programme is highly influenced by the Desa Murni model headed by the President of the Malaysian Homestay Association. The Desa Murni model is heavily dependent on Japanese youths given the close relationship between the President of the Malaysian Homestay Association (MHA) with MONBUSHO and travel agents in Japan.
- Japanese youths are regarded as disciplined, courteous and obedient and therefore are regarded as being relatively 'easier to handle'.
- Educational trips abroad have been integrated into the curriculum and syllabus of schools in Japan.

iv. Trip Itinerary

The trip itinerary is often pre-arranged with visits to SMEs, themed farms, cultural performances and other group-based activities. In the case of educational tours organised by the Ministry of Education, school-based activities are central to the programme. For longer stays, day trips to surrounding (and often iconic) tourist attractions are often included in the programme.

v. Trip Motivation

Despite conforming to the regimented nature of the programme, the 'pull factors' projected by the homestays were:

- The rural ambiance typified by the pastoral lifestyle, large open spaces, greenery, and cottage industries, etc.
- The host family to replace the family atmosphere and togetherness missing from most Japanese teenagers' lives, due to the long working hours of their 'salaryman' father.

Both these factors are central to the ideal, termed as *Furusato* i.e. the search for 'native places' that has been lost through the process of urbanisation and alienation of Japanese youths.

vi. Trip Satisfaction

In terms of trip satisfaction, about two-thirds of the respondents were satisfied with the homestay experience. Nonetheless, a significant one-third felt that the experience did not live up to their expectations. Among the positive attributes of their stay were:

- The friendliness of the locals
- The enthusiasm, manners and concern for guests
- The fact that traditional food was served as well as the tastiness.

Meanwhile, the attributes that were rated poorly were overall hygiene and the dirtiness of the toilet and bathroom. Interestingly, attributes such as cultural bonding and cultural entertainment were rated marginally to the extent that the authenticity of the cultural performances was rated negatively.

Main finding & Issues

This reflects the overall disappointment with the cultural aspect of the homestay experience, which is due to the packaging of the trip itinerary into hectic group activities.

vii. Attributes that Were Liked and New Activities Recommended

The attributes that were fondly remembered and liked were those related to simple and mundane activities carried out with the host family. Examples of such activities were walking around the *kampung*, going through the family album and the packing of sweets. New activities that were recommended were also family-based such as going for picnics with the host family.

In contrast, the lack of cleanliness and hygiene notably the toilet and bathroom were detested. Interestingly, many of the respondents also did not like having to wear uniforms and participate in too many school-based activities.

viii. Willingness to Revisit

Despite the dissatisfaction with the regimented programme, the majority of the respondents were willing to recommend the homestay experience to their friends and relatives. In addition, the majority indicated their willingness to revisit and spend more time with their adopted family. This is a significant finding which shows that rather than by focusing too much on the tree planting ceremony in the hope that the guests would return to see how tall their trees have grown, the Futuraso concept should be used as a more emotionally attractive selling point.

ix. Competition with Neighbouring Countries

Although Malaysia is still in front given our earlier head start, Singapore and Thailand are catching up fast. Already, the number of educational tours under the auspices of the Ministry of Education has been decreasing steadily; which could be interpreted as a result of the competition, notably from Singapore. In addition there are more and cheaper flights from Japan to Singapore and Bangkok.

x. Marketing of Homestay Programme

Being a niche market, a targeted marketing strategy is required to include, among others, sending delegations to the Ministry of Education Japan (MONBUSHO). Presently, the bulk of the promotion is being carried out by the Malaysian Homestay Association and a more concerted and integrated marketing effort is required.

Issues

From the above discussion, several issues have been identified in relation to the shortcomings of the homestay operation, experience and marketing. They are as follows:

- The need to have an integrated approach towards developing, managing and marketing the homestay programme involving the key stakeholders.
- The need to review the content and design of packages related to educational and homestay trips so as to achieve a balance between the educational, entertainment and commercial elements.
- The need to make the homestay programme less centred on large groups but appealing to FITs who may have previously visited the homestays but would like to have a longer and more relaxed stay, in which cultural bonding is central to the experience.
- The need to market the homestay programme in a targeted manner so as to reach the niche market segments attracted to the homestay experience.
- To improve the professionalism of the homestay participants in terms of product development, management, operation and marketing.