

Strategic Management Using SWOT Analysis for Ecotourism Museum in Malaysia

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Abstract:

Background: Tourism, is the act and process of spending time away from home in pursuit of recreation, relaxation, and pleasure while making use of the commercial provision of services. Ecotourism typically involves travel to destinations where flora, fauna, and cultural heritage are the primary attractions. Ecotourism is intended to offer tourists an insight into the impact of human beings on the environment and to foster a greater appreciation of natural habitats. The objective of this research is to evaluate the internal and external factors that help ecotourism museums sustain in the current economic condition that involves digitalization.

Materials and Methods: The ecotourism industry facing a decrement in tourists during the pandemic COVID-19. Therefore, sustainable strategic management needs to be implemented to re-energize the ecotourism sector in Malaysia. This study looks into SWOT analysis to develop further strategic improvements to attract more customers.

Results: This study employed SWOT (Strength (S), Weakness(W), Opportunity(O), Threats(T)) analysis in assessing the uniqueness of the ecotourism museum in Malaysia. This approach is suitable for analyzing the current state of the economic condition of a museum, and then trying to look for a new strategy for further development to make sure it can sustain itself in a challenging economic situation. The internal factors are focused on Strengths (S) and Weaknesses (W). In this situation, the company needs to analyze its internal strength to make sure it can sustain to attract tourists. On the other hand, the Weaknesses (W) should be eliminated or reduced to make sure the level of enjoyment in the museum can meet the customers' expectations. Meanwhile, external factors are represented by Opportunity (O) which is the positive stimulus that helps the business prosper in the future. This element should be strengthened and put on high focus to make sure all the available resources are optimized properly at an effective level. On the other hand, the Threats (T) should be eliminated to the lowest level possible. The threats need to be studied carefully because they will create a negative influence on the business model of the ecotourism industry.

Conclusion: The SWOT analysis encapsulates tourism development plans for an ecotourism museum to attract more visitors. The findings of this study can help governments develop proper tourism policies and marketing strategies to strengthen tourism activities in Malaysia.

Key Word: SWOT Analysis; Ecotourism; Strategic Management; Museum; Malaysia.

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I. Introduction

Ecotourism encompasses nature-based activities that increase visitor appreciation and understanding of natural and cultural values. They are experiences that are managed to ensure they are ecologically, economically, and socially sustainable, contributing to the well-being and conservation of the natural areas and local communities.

The outbreak of COVID-19 has highly impacted the tourism industry in Malaysia. This situation affected the number of tourist arrivals and tourist receipts in Malaysia. Tourists' arrival data measure the flow of international visitors to the country of reference: each arrival corresponds to one inbound tourism trip. Meanwhile, tourism receipts are expenditures by international inbound visitors, including payments to national carriers for international transport. These receipts include any other prepayment made for goods or services received in the destination country.

The museum business is particularly vulnerable to the impacts of pandemics or natural disasters, which may limit visitor numbers or even shut down the museum entirely. Abu Bakar and Rosbi (2020) explain the negative impact of Coronavirus disease (COVID-19) on the tourism industry. The demand reduction creates a reduction of supply for tourism. Abu Bakar and Rosbi (2022a) also explain that airline companies that relate to the tourism industry are also affected by the spread of COVID-19. The findings of these studies explain that the number of tourists decreased because of the pandemics that affected Malaysia and worldwide (Abu Bakar et al.,

2022b). Therefore, a new strategy needs to be implemented to make sure the tourism industry can survive in the new business environment.

This study also supports the problem in the tourism industry by analyzing tourist arrivals and tourist receipts. Figure 1 shows the number of tourist arrivals in Malaysia. Figure 2 shows the tourist receipt in Malaysia. Both of the figures indicate a decrement trend in year of 2020 until 2022. Therefore, this study proposed a SWOT analysis to develop an optimal strategy for ecotourism museums, to make sure the business survives after the COVID-19 outbreak.

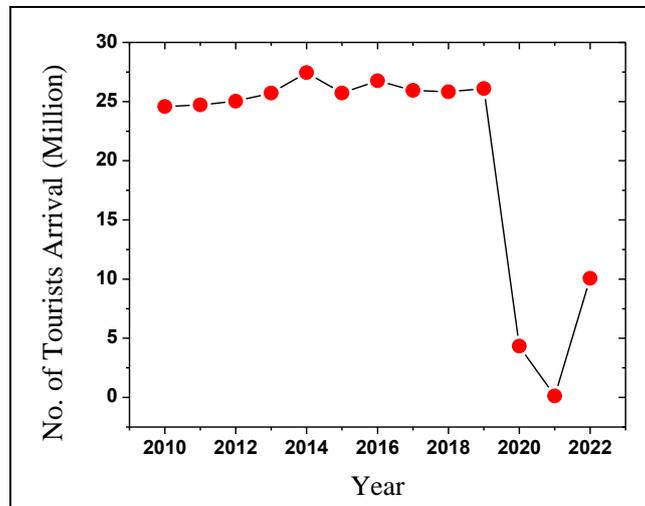


Figure 1: The number of tourist arrivals in Malaysia

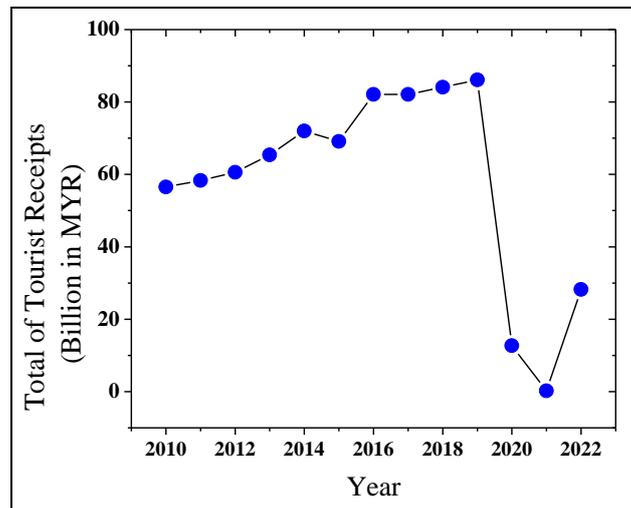


Figure 2: Total of tourist receipts in Malaysia

II. Literature Review

Ecotourism museums originate the conceptual transformation of cultural heritage and initiate the endeavors to preserve ethnic possessions in confrontation with the phenomenon of globalization through interaction with the environment and expansion of sustainable development. The tourism and hospitality industry is one of the driving forces in the global economy (Chung et al., 2019). It has many environmental and social effects (Jones et al., 2017).

Museums are part of cultural heritage and are important heritage destinations as well as a primary tourist attraction for both local and foreign tourists in many destinations (Jansen-Verbeke & Rekom, 1996). Ecotourism has become a prominent global strand of sustainable development and is considered one of the crucial economic activities for a country (Abu Bakar & Rosbi, 2022c). The hope is that ecotourism projects, as development initiatives, can at once help preserve the natural environment, provide a source of livelihood for local people, and protect local and indigenous cultures. Ideally, ecotourists who travel to natural areas will have minimal

environmental impact, increase their environmental awareness, contribute resources to local communities, and embody practices respectful of local culture (Björk, 2000).

Powell and Ham (2008) describe ecotourism as a balancing act between tourism development and resource protection. Ecotourism must be sustainable and four central groups of actors have to co-operate, the local people, the authorities, tourists, and companies involved in tourism. The well-designed and delivered interpretation during the ecotourism experience can increase knowledge of the host-protected area, supportive attitudes towards resource management issues facing the host-protected area, general environmental behavioral intentions, and philanthropic support.

Travel motivation also has been widely studied in the context of heritage, specifically in different heritage settings such as museums, religious sites, and waterfronts (Poria, et al., 2006; Prentice, et al., 1997). Recreational experiences, heritage experiences, and learning history are found to be common reasons for visiting heritage sites (Poria et al., 2004). Responsible travel to natural areas conserves the environment and improves the well-being of local people (Scheyvens, 2007).

Ecotourism has been defined and redefined by researchers like Orams (1995), Sirakaya, et al., (1999), Donohoe (2011), and Higham and Carr (2003). These researchers describe ecotourism as a form of non-consumptive and educational tourism to relatively undisturbed and under-visited areas of immense natural beauty and cultural and historical importance.

Moreover, ecotourism has been promoted by governments and environmentalists alike to create local jobs, generate income, protect the ecosystem, and raise socio-cultural awareness (Pforr, 2010). Next, ecotourism continues to develop and market eco-friendly and nature-related products (McKercher et al., 2010) and the global appeal for ecotourism has shown substantial growth as well (Weaver & Lawton, 2007). The ecotourism literature is focused on market segmentation, ecological impacts of wildlife viewing, and community-based ecotourism, but there has been minimal attention to critical areas such as quality control, the industry, external environments, or institutions even as the components and parameters of ecotourism are being extended. Meanwhile, the meaning of ecotourism continues to dominate debate among scholars. The absence of a succinct and binding definition of ecotourism creates a vacuum in accurately operationalizing ecotourism.

Related to ecotourism museums, over the past few years there has been increasing pressure on museums to widen their appeal to attract a larger and more diverse range of visitors due to a reduction in museum budgets (Goulding, 2000). The focus of museums has shifted from collections to audiences (Kotler & Kotler, 2000). Similarly, literature records the shifting of museum studies from the importance of the museum setting to facilitating satisfying experiences and learning among visitors. As they become more visitor-oriented, museums need to center their research focus on visitor experiences. This information is vital for decision-making in museum marketing and exhibition planning.

Museums are much more than repositories of cultural relics to be preserved for the future. They are centers of learning, community centers, and social hubs. Length of stay is a vital element in tourists' decision-making process and tourism demand. Divergent results of studies concerning connections between length of stay and tourist expenditures imply the saturation effect of the often-repeated extended length of stay. To address this research gap, the current research analyzes the influences of length of stay on tourist expenditure, visitor satisfaction, and intentions to recommend and revisit (Wang et al., 2018).

Apart from the development of the economy, tourism also can bring many advantages to local governments and residents. A large number of governments all want to develop tourism to get maximum benefits, even some governments spend much more energy and money on the development of tourism (Woodside & Dubelaar, 2002).

In surviving the new business environment, insight into alternative strategies for travel agencies in a matured travel market with a high Internet penetration is crucial (Dolnicar & Laesser, 2007). Thus, SWOT analysis is essential for the museum industry to analyze the successful business strategy in the future.

III. Methodology

Museums are not only the place for showcasing history or art, but also a hub for continuous learning and cultural exchange. An ecotourism museum is focused mainly on an exhibition of flora, fauna, and cultural heritage are the primary attractions. Ecotourism is intended to offer tourists an insight into the impact of human beings on the environment and to foster a greater appreciation of our natural habitats. Ecotourism involves responsible travel to natural areas that prioritize conservation, community well-being, and education.

This study examines the strategic management of ecotourism museums for sustainability in challenging economic environments. SWOT analysis is a framework for identifying and analyzing an organization's strengths

(S), weaknesses (W), opportunities (O), and threats (T). Strengths and weaknesses refer to matters over which the organization has control, whereas opportunities and threats refer to external or environmental factors over which the organization exercises little or no control. Put another way, listing strengths and weaknesses gives a state-of-the-art, whilst the opportunities and threats help identify what museums might become in the future. Typically, it is used in a strategic planning process to effectively evaluate where the company stands before moving forward with an opportunity or managing a limitation.

SWOT facilitates an understanding of the strengths and weaknesses of the organization. It encourages the development of strategic thinking. It enables senior managers to focus on strengths and build opportunities. SWOT Analysis is the most renowned tool for audit and analysis of the overall strategic position of the business and its environment. Its key purpose is to identify the strategies that will create a firm-specific business model that will best align an organization's resources and capabilities to the requirements of the environment in which the firm operates.

A SWOT analysis is a popular tool for project selection because it highlights the strengths and weaknesses of potential projects. It can be used to identify the internal and external factors associated with a specific project, such as the resources available, the market conditions, and the competition. By understanding the various risks and benefits associated with a project, organizations can make an informed decision on which projects should be prioritized. Additionally, a SWOT analysis can help organizations understand how their projects fit within their overall strategy. This process is essential for making sure that all projects are aligned with organizational goals and objectives.

The advantages of SWOT analysis can be categorized into four elements of management:

(i) A SWOT analysis can be used to develop a matching and converting strategy

Matching and converting is a strategy mostly unique to SWOT analysis, which involves pairing strengths with opportunities to discover or maximize an organization's competitive advantage. It also involves looking for ways to convert weaknesses or threats into strengths or opportunities, or at the least minimize their harmful effects.

(ii) It can help an organization craft the optimal strategy to adopt

A business can adopt an aggressive growth plan or a defensive growth plan. An aggressive growth plan is typically adopted during situations in which the business holds a significant competitive advantage, which includes a mixture of various strengths and opportunities. On the other hand, a more cautious or defensive strategy is usually advised when dealing with situations where significant threats and/or weaknesses exist in the business environment

(iii) It helps with preliminary feasibility studies and situational analysis

By analyzing and comparing the various components of the SWOT analysis, a business can determine the viability of a business model or new product, making it an important part of any detailed feasibility study. SWOT analysis is also a fundamental part of situational analysis, which is a technique used to identify internal and external challenges and opportunities of a business or products.

(iv) SWOT Analysis provides information that helps in synchronizing the firm's resources and capabilities with the competitive environment in which the firm operates

Successful businesses build on their strengths, correct their weakness, and protect against internal weaknesses and external threats. They also keep a watch on their overall business environment and recognize and exploit new opportunities faster than their competitors. A consistent study of the environment in which the firm operates helps in forecasting and predicting changing trends with optimal strategy.

The implementation of SWOT is included in the PDCA cycle is a continuous loop of planning, doing, checking (or studying), and acting. It provides a simple and effective approach to solving problems and managing change. The model is useful for testing improvement measures on a small scale before updating procedures and working practices.

Figure 3 shows the continuous improvement of the ecotourism museum. The function of the PDCA cycle is to adapt to market changes, improve efficiency, boost productivity, and meet your customers' needs.

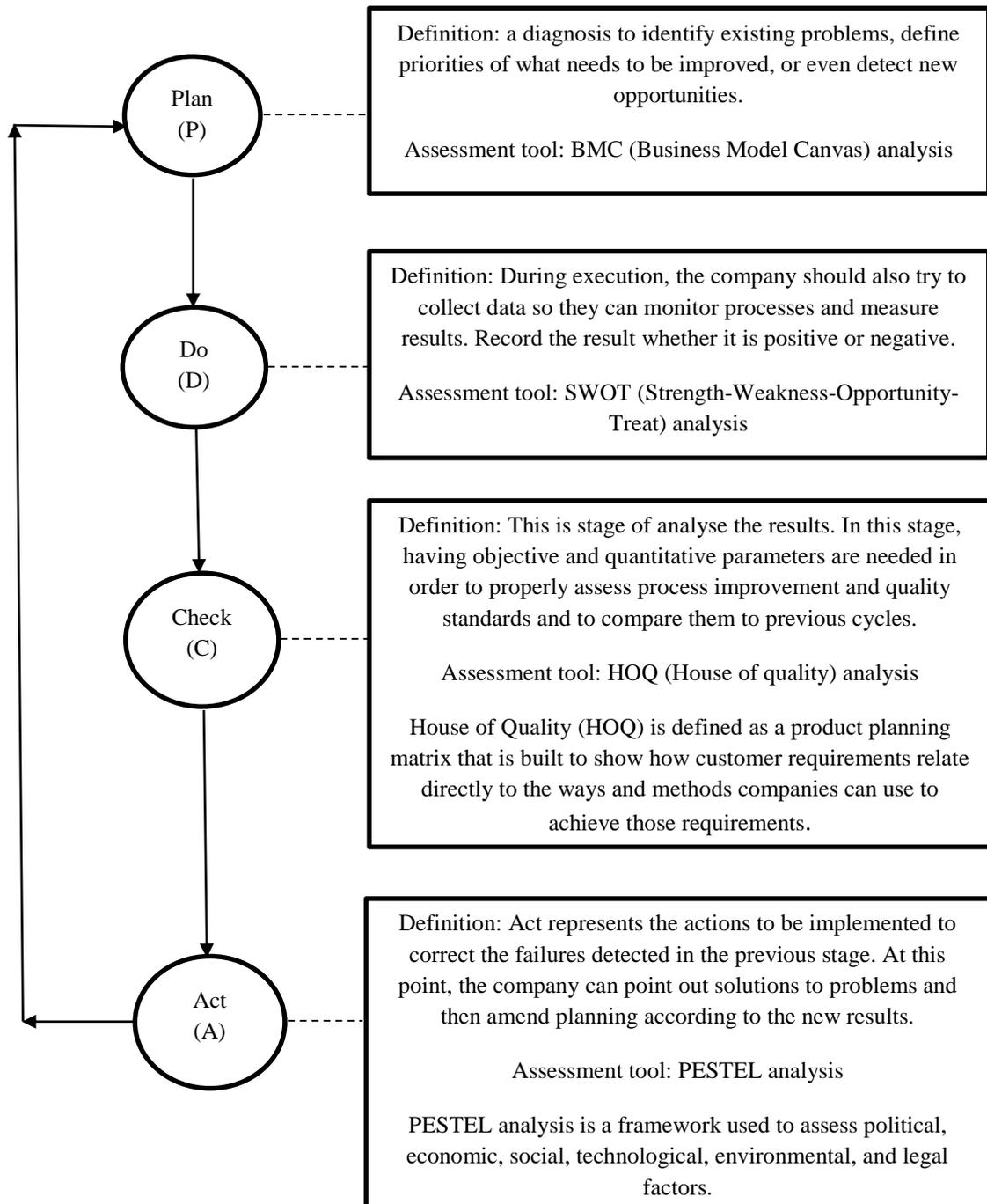


Figure 3: The PDCA cycle for improvement of ecotourism museum

IV. Result and Discussion

This research paper aims to evaluate the SWOT analysis of an ecotourism museum that provides high-end and cultural experiences for people of all ages. The ecotourism museum tries to integrate natural attractions with digital gamification to attract visitors. At the same time, ecotourism museums are responsible for educating visitors about the impact of human beings on the environment and fostering a greater appreciation of our natural habitats. One of the significant strengths of the museum business is the potential to preserve and share knowledge and experience. promotes the preservation of local natural environments, livelihood, and culture. Figure 4 shows the SWOT analysis.

Internal factors	
Strengths (S)-positive influence	Weaknesses(W)-negative influence
<p>Definition: Strengths are the beneficial aspects of the organization or the capabilities of an organization, which include human competencies, process capabilities, financial resources, products and services, customer goodwill, and brand loyalty.</p> <p>Questions: (i) Do we have a sustainable competitive advantage? (ii) What things do our customers say we do well? (iii) What is our unique selling proposition?</p> <p><u>Findings for strengths (S) of ecotourism museum in Malaysia:</u> (i) Ecotourism museums have developed a good reputation among local school students and university students. (ii) The ecotourism museum has exhibition equipment that relates to agricultural activities. This is the niche for tourist attractions. (iii) The museum has educational services and programs about culture and heritage.</p>	<p>Definition: Weaknesses are the qualities that prevent us from accomplishing our mission and achieving our full potential. These weaknesses deteriorate influences on the organizational success and growth.</p> <p>Questions: (i) In what area do we need to improve? (ii) In what areas are our competitors better than we are? (iii) Is our profit margin lower than our competitors?</p> <p><u>Findings for weaknesses (W) of ecotourism museum in Malaysia:</u> (i) Need to adapt digital marketing using interactive website, and social media. (ii) The attraction needs some modification including gamification to meet the needs of the younger generation. (iii) Collaboration with the local community needs more attention to create an effective marketing strategy. (iv) Needs to have good public transport access.</p>
External factors	
Opportunities (O)-positive influence	Threats (T)-negative influence
<p>Definition: Opportunities are presented by the environment within which our organization operates. These arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable. Organizations can gain a competitive advantage by making use of opportunities</p> <p>Questions: (i) What trends might positively affect our industry? (ii) Is there are niche market that we're not targeting? (iii)Is our target market changing in a way that could help us?</p> <p><u>Findings for opportunities (O) of ecotourism museum in Malaysia:</u> (i) Attracting new customers with digital gamification facilities. (ii) Cooperate with local tourist guides and hotels to develop collaboration in the tourism ecosystem. (iii) Creating local events with various communities. (iv) Develop digital marketing using social media.</p>	<p>Definition: Threats arise when conditions in the external environment jeopardize the reliability and profitability of the organization's business. They compound the vulnerability when they relate to the weaknesses.</p> <p>Questions: (i) Is our target market shrinking or shifting? (ii) Could any indirect competitors become direct competitors? (iii) Industry of economic trends that could work against us?</p> <p><u>Findings for threats (T) of ecotourism museum in Malaysia:</u> (i) Less interest among the new generation in agriculture. (ii) Technological advances can make existing displays obsolete. (iii) Competition with other tourist attractions such as modern and large shopping malls.</p>

Figure 4: SWOT analysis for ecotourism museum

V. Conclusion

The ecotourism museum is a museum that promotes tourism centered around the natural world, with a focus on sustainability. The purpose of ecotourism is to encompass nature-based forms of tourism in which the main motivation of tourists is the observation and appreciation of nature as well as traditional cultures in natural areas.

This study employs SWOT analysis is also a fundamental part of situational analysis, which is a technique used to identify internal and external challenges and opportunities of a business or products. SWOT analysis implements strategic fits with a concept within the business world that can be defined in simple terms as how well-suited a business is to its available Internal and external resources, as well as prevailing constraints. The idea behind this is that a business should strive to maximize the advantages it possesses (in terms of strengths and

opportunities) while mitigating its constraints (concerning weaknesses and threats) to achieve optimal (or near optimal) function. Its key purpose is to identify the strategies that will create a firm-specific business model that will best align an organization's resources and capabilities to the requirements of the environment in which the firm operates.

In this paper, the ecotourism museum has a competitive edge in curating displays that are not only visually appealing but also interactive and informative, providing an enjoyable learning experience for visitors. Sustainable ecotourism has been certified to ensure that travelers enjoy natural and historical environments while protecting their biodiversity and legacy. Meanwhile, the ecotourism museum can be expensive to develop and maintain, especially in the cost of acquiring exhibits, hiring staff, and marketing the museum. Despite this situation, with the growth of the tourism industry worldwide, the ecotourism museum could become a popular tourist spot and generate revenue. Depending on the location of the museum, attracting a large number of visitors may be challenging, particularly in rural areas, or during off-peak seasons.

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