

# **The Application of the Micro Cluster Concept in the National Ecotourism Plan 2016-2025**

## **INTRODUCTION**

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- 1 The need for game changers in Malaysia's ecotourism industry
- 2 The cluster approach as a tourism planning tool
- 3 The application of the cluster approach in Malaysia's National Ecotourism Plan

# CONTEMPORARY CHALLENGES

- 'Tired' ecotourism products
- Lack of innovation
- Poor story telling
- Growing competition from ASEAN neighbours
- Managing irresponsible tourist behaviour due to influx of domestic tourists to national parks
- Changing social construct of national parks from wilderness/tranquility to a 'good place for merriment with family and friends'
- Developing resilience in the face of climate change

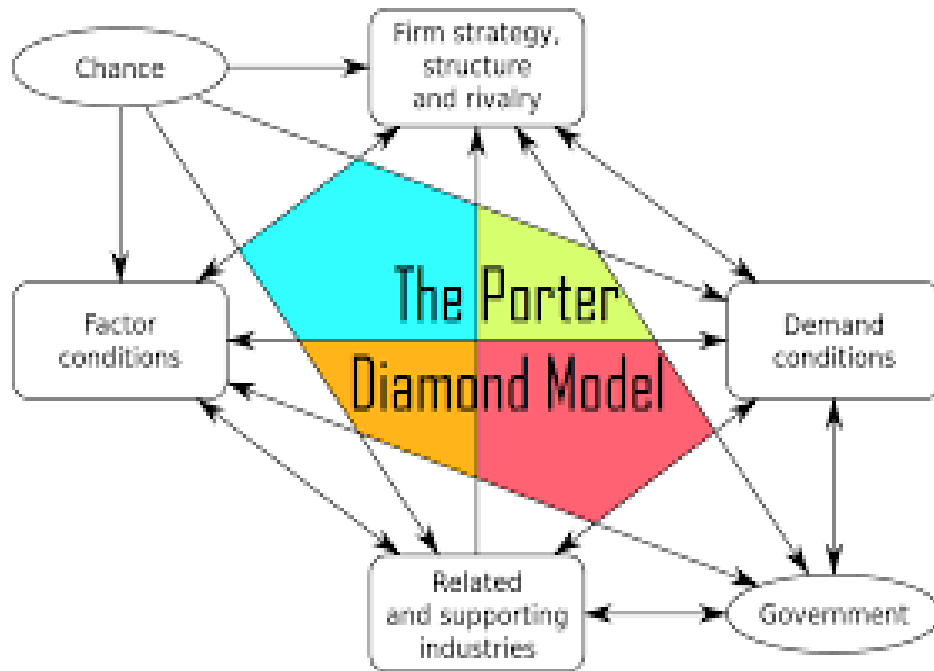
# THE NEED FOR GAME CHANGERS

- Expanding the market
- Attracting investments in an increasingly competitive world
- Unlocking the economic potential of ecotourism
- Harnessing synergy between ecotourism and conservation
- Optimising economies of scope through the cluster approach

# WHERE DOES ECOTOURISM TAKE PLACE?

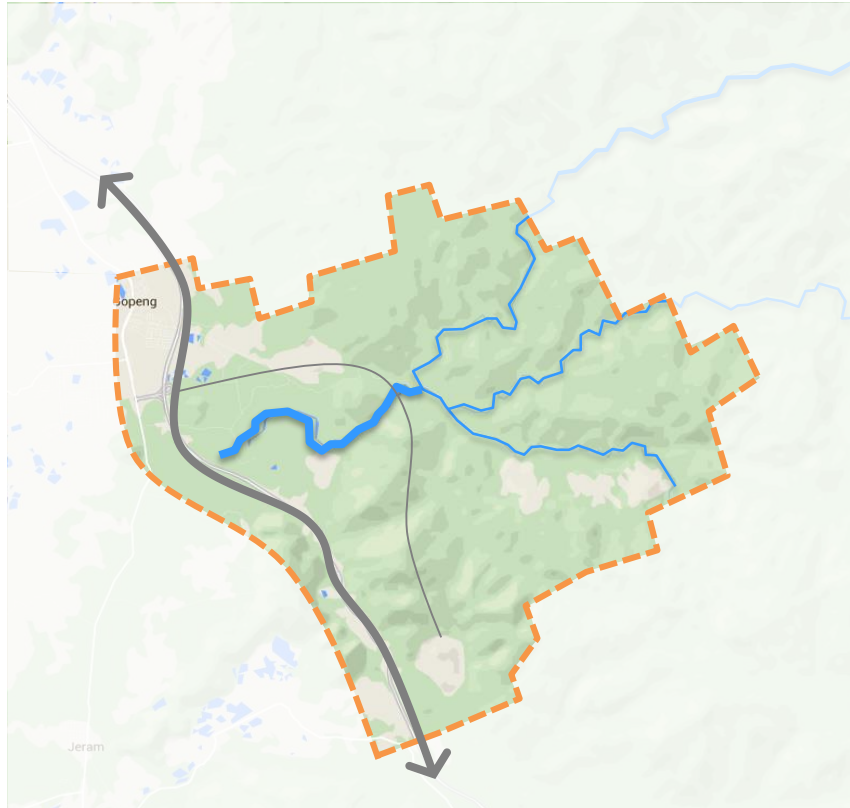
- In Protected Areas especially IUCN Category II – National Parks
- **In rural and often remote areas**
- At the urban fringe (urban ecotourism)

# PORTER'S DIAMOND



- Porter's Diamond as a tool to analyse national/regional competitiveness
- introduced by Michael Porter in 1999
- Used in macro/regional planning
- Descriptive rather than prescriptive

# MICRO CLUSTERS



- Micro clusters and networks applied in rural tourism planning from mid 2000 (Michael, 2007)
- More appropriate for ecotourism planning
- In rural and remote destinations

## **ISSUES**

- High cost of providing infrastructure
- Lack of economies of scale
- Lack of local capacity

## **DEFINITION OF TOURISM CLUSTER**

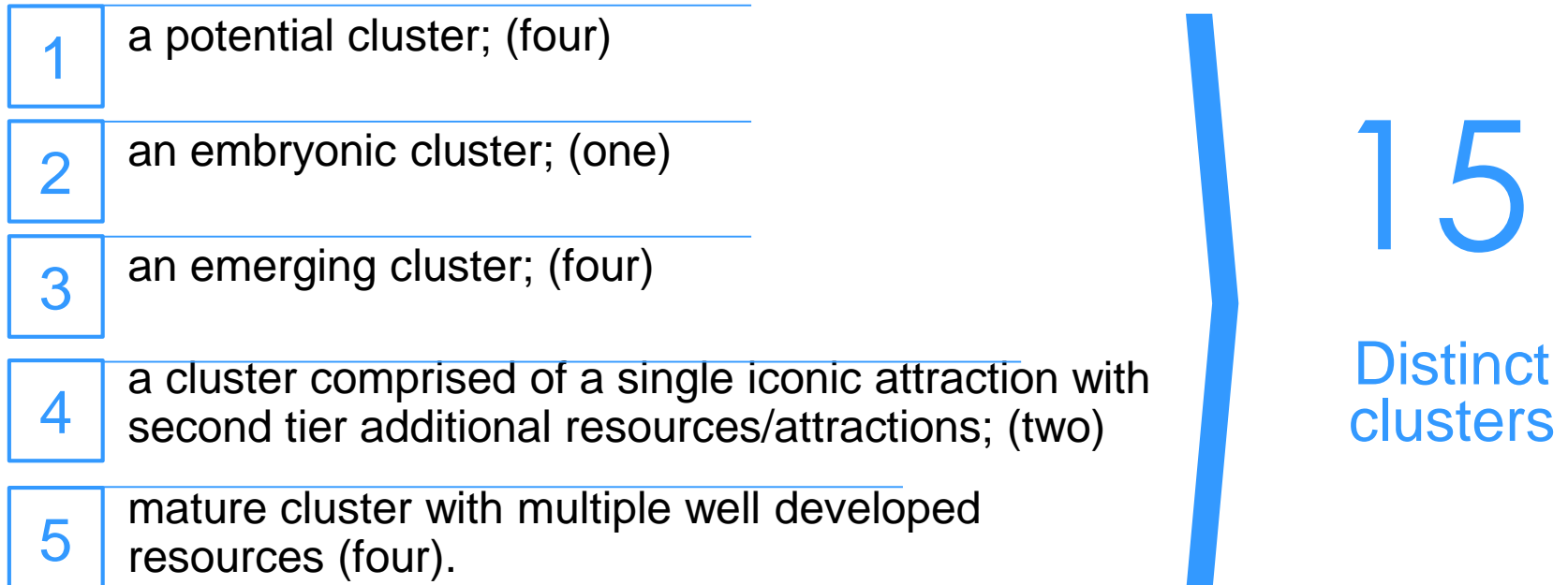
“a critical mass of competitive (and/or complementary) tourism products including one or more major attractions in a concentrated geographical area”

## **CLUSTER APPROACH AS A PLANNING TOOL**

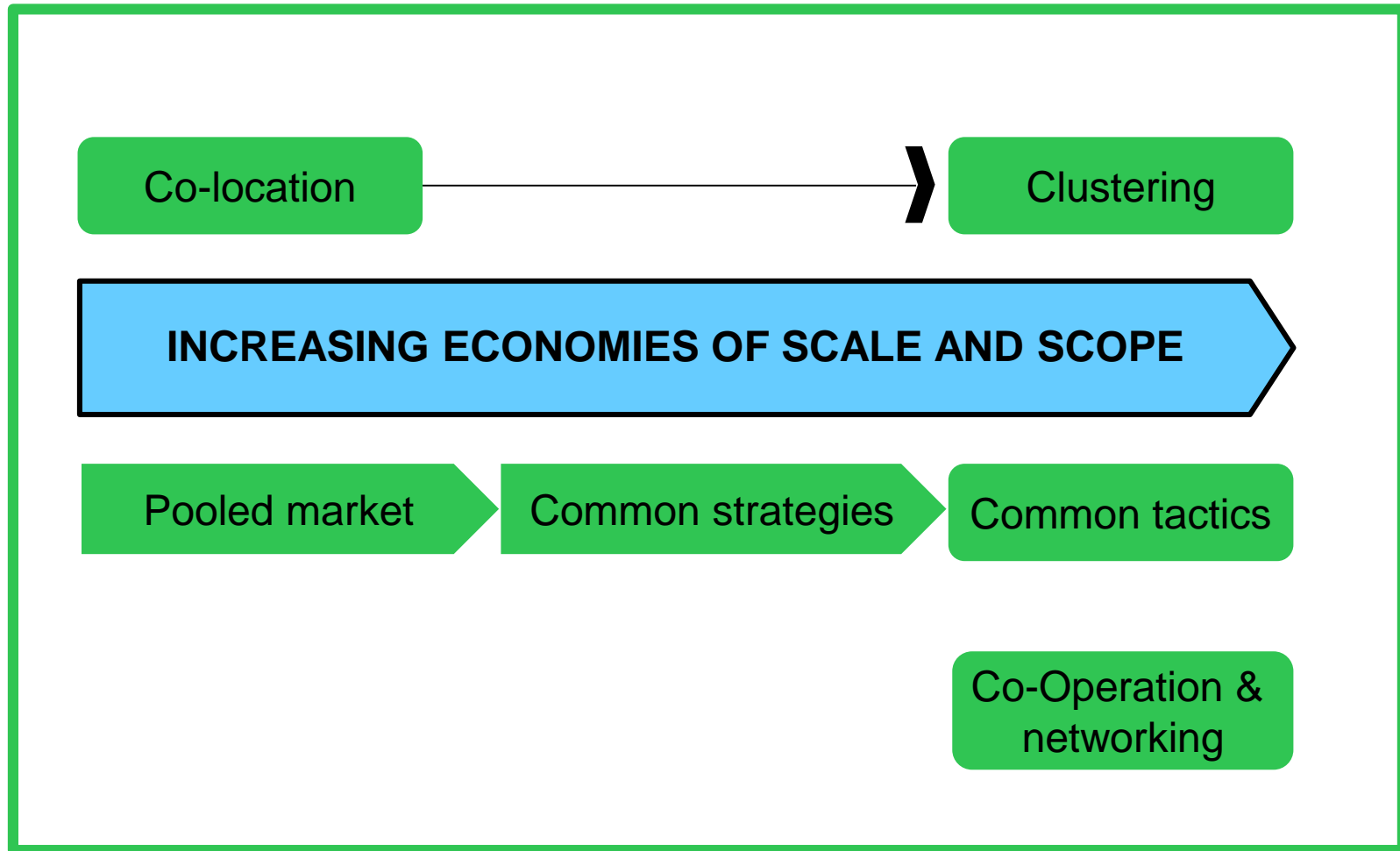


# CLUSTER APPROACH IN PRACTICE

In Australia, the cluster approach used in formulating the Tourism Strategy for Tasmania with the different clusters being **linked by themed touring routes**.

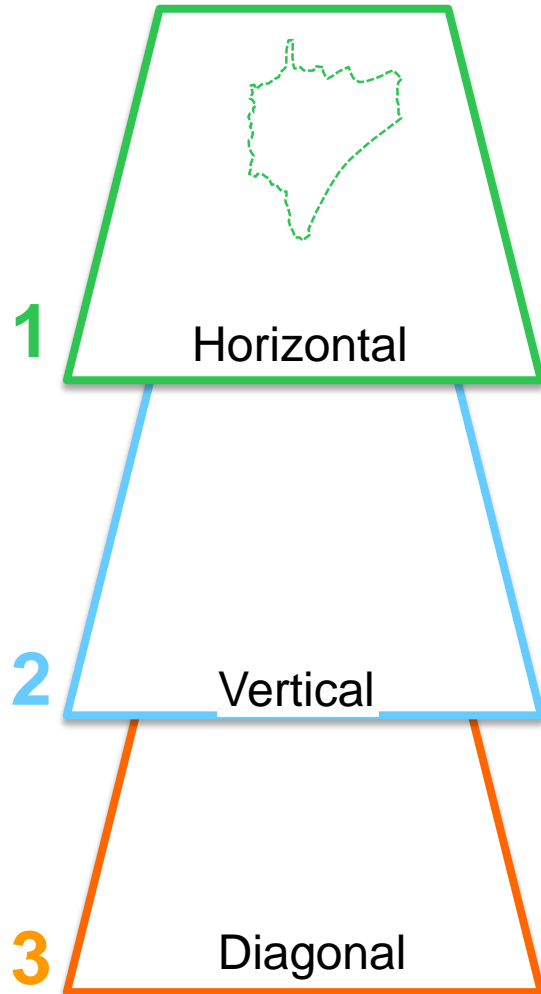


# CLUSTERING AS A PROCESS



**Co-location to clustering – a continuum (Michael, 2007)**

# THREE TYPES OF CLUSTERING



## Characteristic:

Involves operators in a similar stage of the value chain co-locating in the same geographical area

## Characteristic:

Occurs when operators at different stages in the tourism industry's supply chain co-locate in a geographic area to form an integrated linkage between the different components of the tourism supply and the tourist experience

## Characteristic:

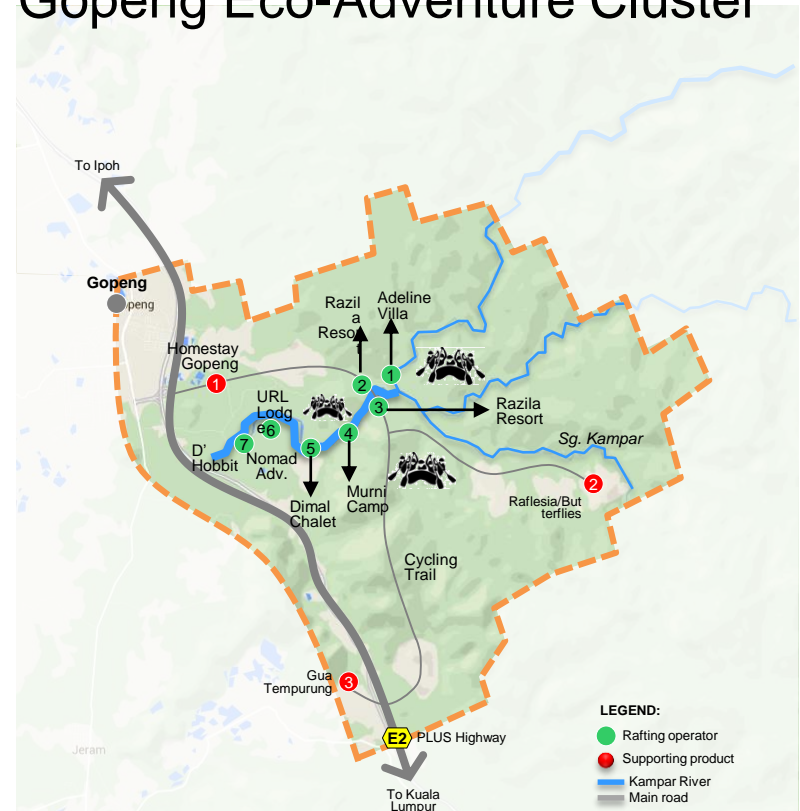
Involves operators in a similar stage of the value chain co-locating in the same geographical area

# Horizontal Clustering

Horizontal clustering involves operators in a similar stage of the value chain co-locating in the same geographical area.

**Operators benefit from sharing the costs** of providing infrastructure, labour supply, marketing/promotion pooling thus increasing the potential customer base and total sales.

## Example of Horizontal Clustering: Gopeng Eco-Adventure Cluster



- Pioneer operator started resort offering white water rafting in the 1990s
- Currently more than 10 resorts

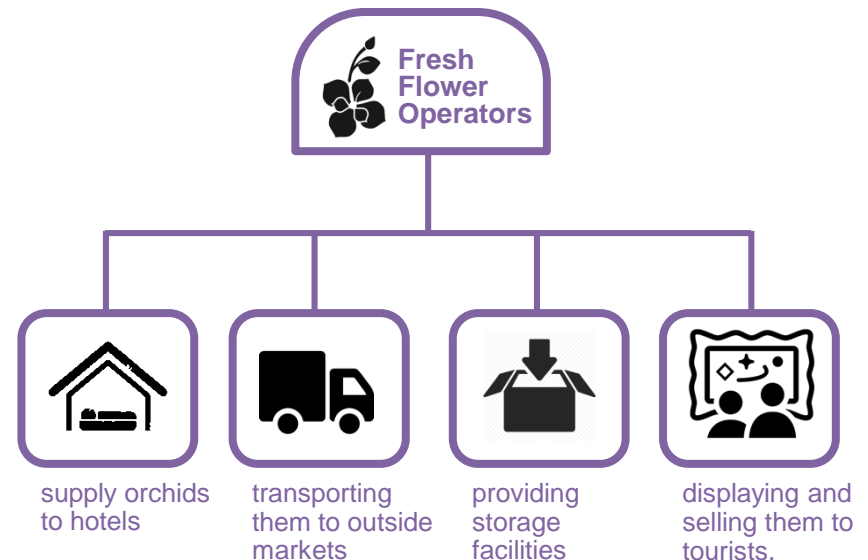
# Vertical Clustering

Vertical clustering occurs when operators at different stages in the tourism industry's supply chain co-locate in a geographic area to form an integrated linkage between the different components



## Fresh flowers industry at **Cameron Highlands.**

Operators in this highland tourism destination have developed specialised roles:



# Diagonal Clustering

The integration of products and services provided by different operators but promoted and sold to tourists as a single item

e.g. accommodation, transportation, eateries, eco-adventure activities, souvenirs and other services

Kinabalu Park Micro Cluster



**But no outlet offering foot massage and reflexology at service town for weary climbers descending Mount Kinabalu**



# SUCCESS STORY IN HORIZONTAL AND DIAGONAL CLUSTERING

## Muang Village Tourism Cluster, Phuket, Thailand

- In the case of Muang Village in Phuket, the setting up of the Tiger Muaythai Training Center **initially triggered horizontal clustering in the form of similar MMA training centres in the small village.**
- This was **followed by diagonal clustering exemplified** by the mushrooming of massage centres, outlets selling healthy food and supplements, laundry, souvenir shops and medical services, etc.

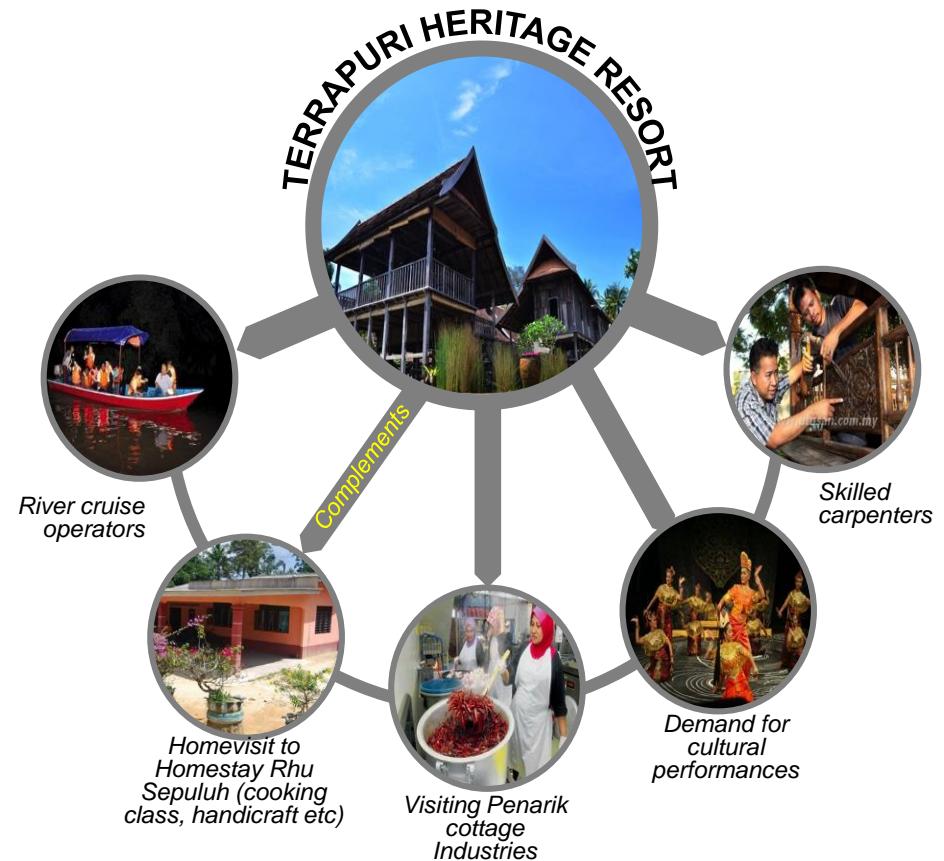


# CRUCIAL ROLE OF ACCELERATORS

## Case Study:

Accelerator: Terrapuri Heritage Resort

- Outside investors accelerate the clustering process
- Spread economic benefits to rural communities
- Establish strong partnerships with CBET





## Case Study 2:

Accelerator: Pasir Belanda



## Case Study 3:

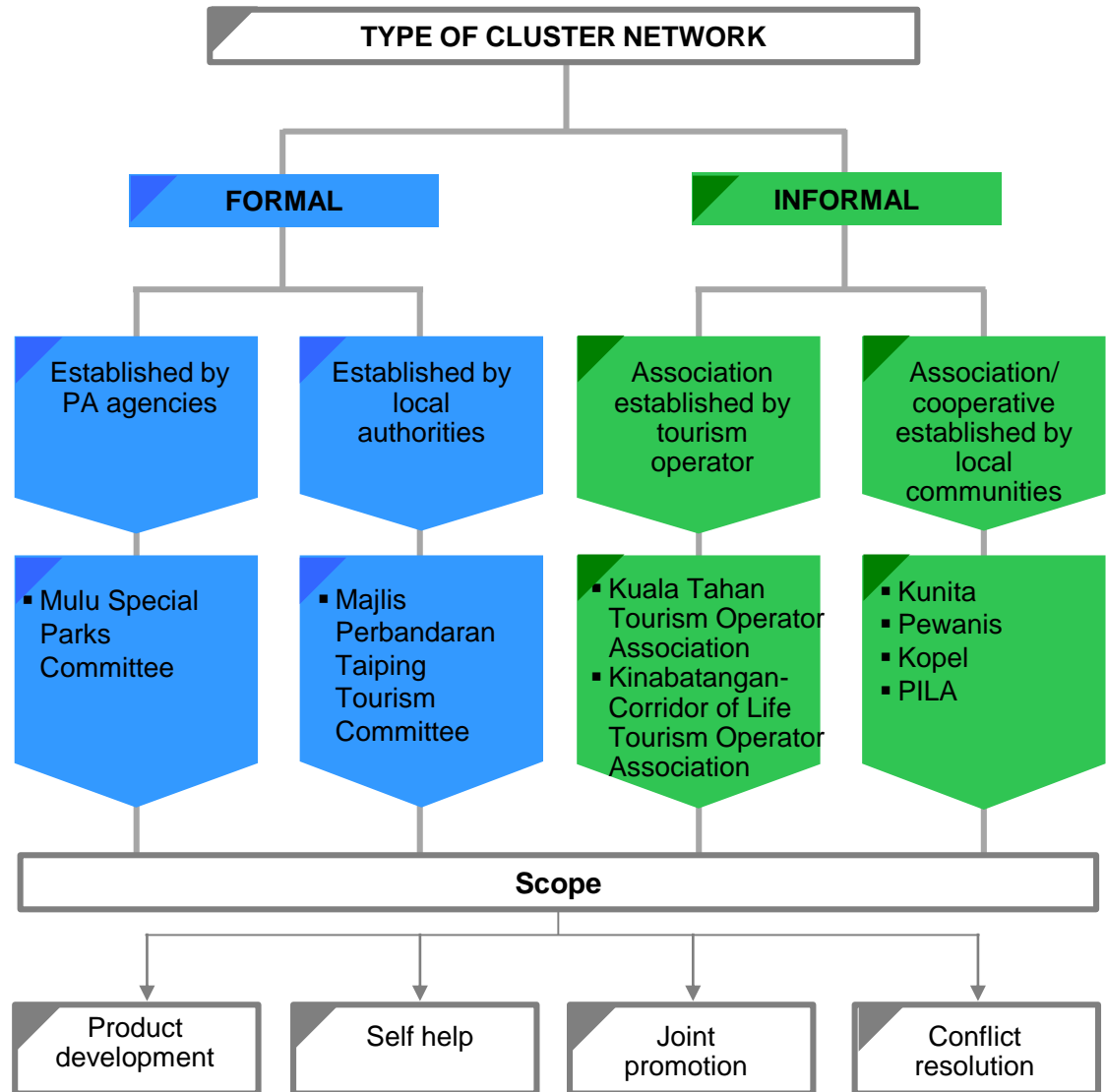
Accelerator: Min House



- Accelerators created optimisation in diagonal clustering
- Through specialisation by local operators and artisans

# NETWORKS AND NETWORKING

- Networks and networking crucial to clustering process
- A network could be formal or informal
- Elements of communicative planning



# THE DYNAMICS OF CLUSTERING

## Cluster Management & Support

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The role of outside Investors in creating accelerator effects



Access to capital and micro credit facilities



Local tourism cooperatives as 'network within a network'



Expanding the market and size of economic pie



# INTERVENTIONS



- Create pro-business environment for investors
- Scale up tourism SMEs through better access to micro credit
- Capacity building
- Destination management
- Integrated marketing and promotion



# MALAYSIA'S NATIONAL ECOTOURISM PLAN 2016-2025

60

**Ecotourism Clusters**  
in Malaysia

- **Perlis 1** cluster
- **Kedah 3** clusters
- **Penang 2** clusters
- **Perak 4** clusters
- **Selangor 4** clusters
- **Melaka 3** clusters
- **N. Sembilan 4** clusters
- **Johor 6** clusters
- **Pahang 6** clusters
- **Kelantan 3** clusters
- **Terengganu 7** clusters
- **Sarawak 9** clusters
- **Sabah 8** clusters



# Proposed **60** Ecotourism Clusters

Divided into 2 types of clusters

## Proposed **DETAILED CLUSTERS** (Action Plans)

**6** Ecotourism Clusters

### Content

Keystone

Supporting Product

Tourist Flow

Market

Issue/Gap

Prospect

### Action Plan

Product Development

Human Resource

Marketing

Infrastructure Development

Destination Management

## Proposed **CONCEPTUAL CLUSTERS**

**54** Ecotourism Clusters

### Content

Keystone

Supporting Product

Tourist Flows

Market



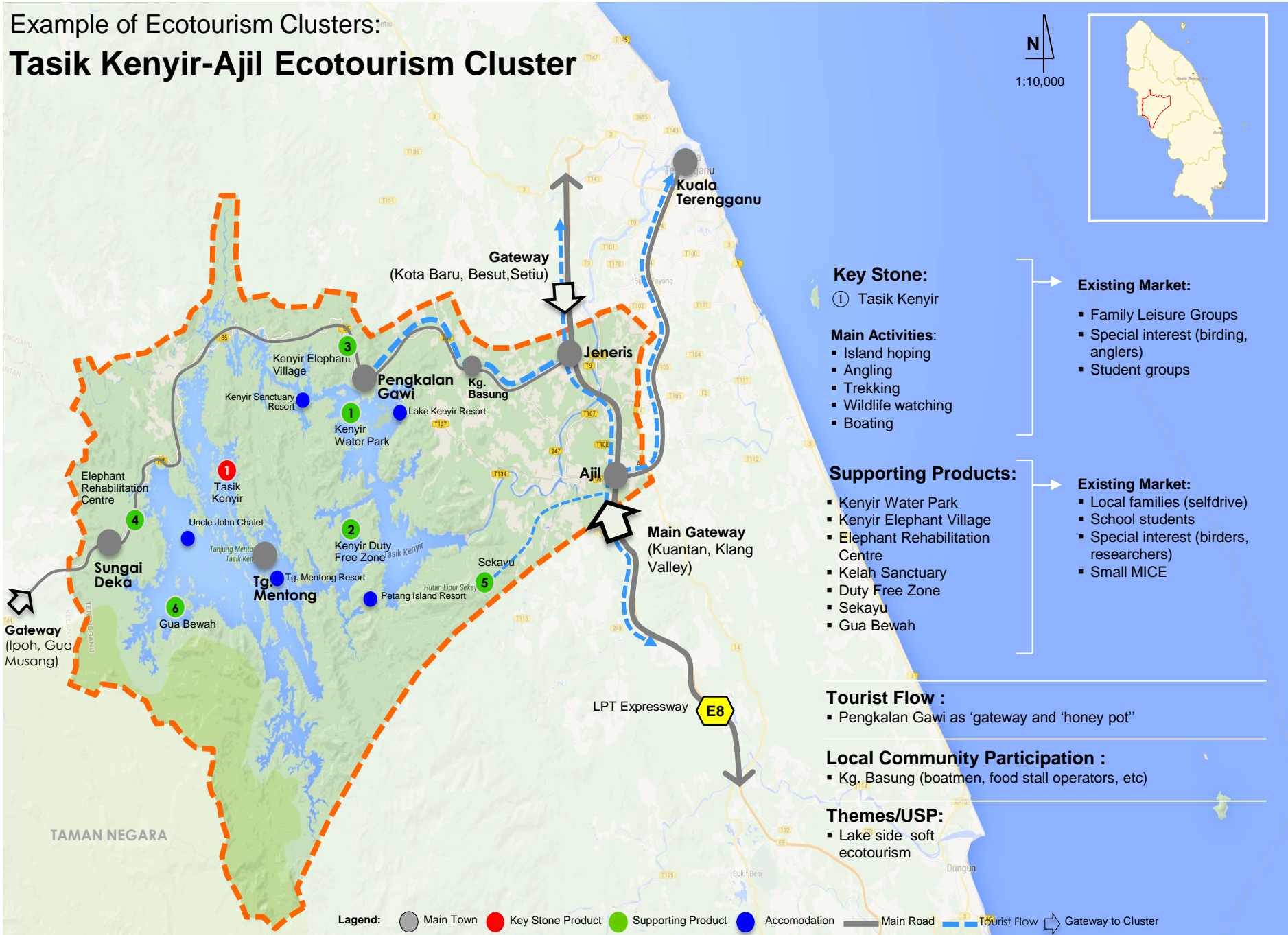
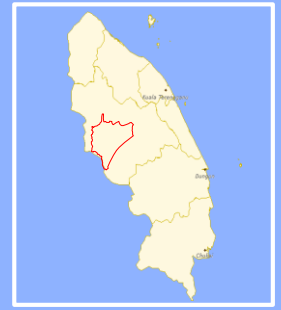
## CLUSTER TOOLKIT

- Design (base map, boundary, etc.)
- Populate
- Database (revenue, arrival, inventory etc.)
- Issues/gaps identification
- Etc.



# Example of Ecotourism Clusters: Tasik Kenyir-Ajil Ecotourism Cluster

N  
1:10,000



TAMAN NEGARA

Gateway (Ipoh, Gua Musang)

Gateway (Kota Baru, Besut, Setiu)

Main Gateway (Kuantan, Klang Valley)

LPT Expressway E8

Kuala Terengganu

Jeneris

Ajil

Pengkalan Gawi

Tg. Mentong

Sungai Deka

Tg. Mentong Resort

Kg. Basung

Kenyir Duty Free Zone

Uncle John Chalet

Tanjung Mentong

Gua Bewah

Kenyir Sanctuary Resort

Kenyir Elephant Village

Lake Kenyir Resort

Petang Island Resort

Sekayu

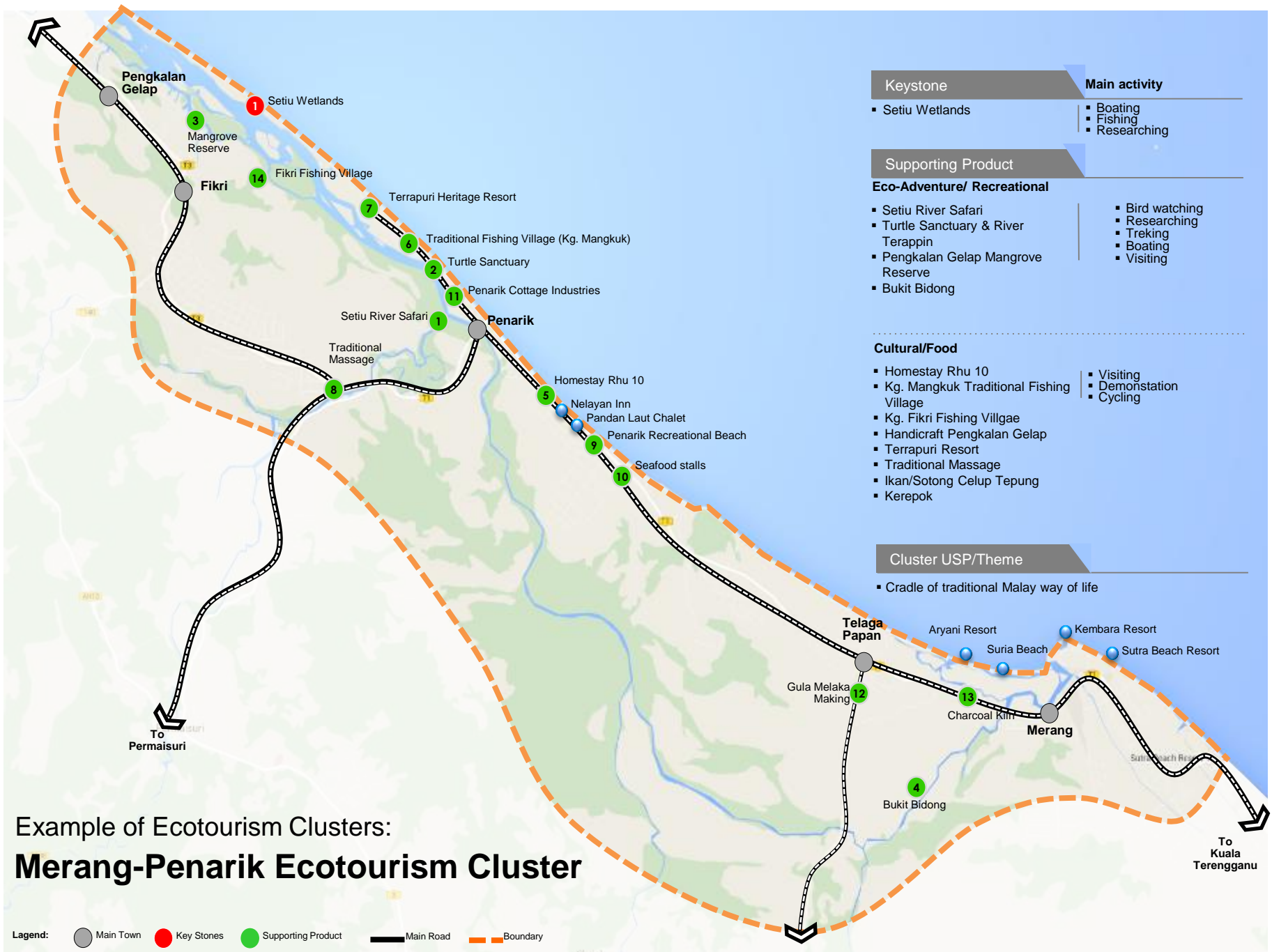
Hutan Lipur Sekayu

Bukit Besi

Dungun

Bukit Besi

Dungun



**Keystone**

- Setiu Wetlands

**Main activity**

- Boating
- Fishing
- Researching

**Supporting Product**

**Eco-Adventure/ Recreational**

- Setiu River Safari
- Turtle Sanctuary & River Terappin
- Pengkalan Gelap Mangrove Reserve
- Bukit Bidong

- Bird watching
- Researching
- Treking
- Boating
- Visiting

**Cultural/Food**

- Homestay Rhu 10
- Kg. Mangkuk Traditional Fishing Village
- Kg. Fikri Fishing Villgae
- Handicraft Pengkalan Gelap
- Terrapuri Resort
- Traditional Massage
- Ikan/Sotong Celup Tepung
- Keropok

- Visiting
- Demonstration
- Cycling

**Cluster USP/Theme**

- Cradle of traditional Malay way of life

Example of Ecotourism Clusters:  
**Merang-Penarik Ecotourism Cluster**

**Legend:** ● Main Town ● Key Stones ● Supporting Product — Main Road - - - Boundary



## Example of Ecotourism Clusters:

# Taiping-Kuala Sepetang-Anak Kurau-Bukit Merah Ecotourism Cluster



### Keystone

- Matang Mangrove Reserve

### Main activity

- Firefly watching
- Boating
- Researching
- Team building
- Visiting

### Supporting Product

#### Eco-Adventure/ Recreational

- Kuala Gula
- Bukit Larut
- Batu Kurau
- Kg. Dew Firefly
- Lake Garden
- ATV Park
- Equine Park
- Zoo Taiping
- Orang Utan Island
- Kolam Air Panas Trong
- Ethno Valley

- Bird watching
- Researching
- Treking
- Boating
- Visiting

### Heritage

- Kota Ngah Ibrahim
- Charcoal Factory
- Port Weld
- Pekan Ahad

- Visiting
- Shopping

### Culture (Local community)

- Bukit Gantang Homestay
- Kg. Anak Kurau
- Kuala Sepetang Fishing Village

- Visiting
- Angling
- Dolphin watching

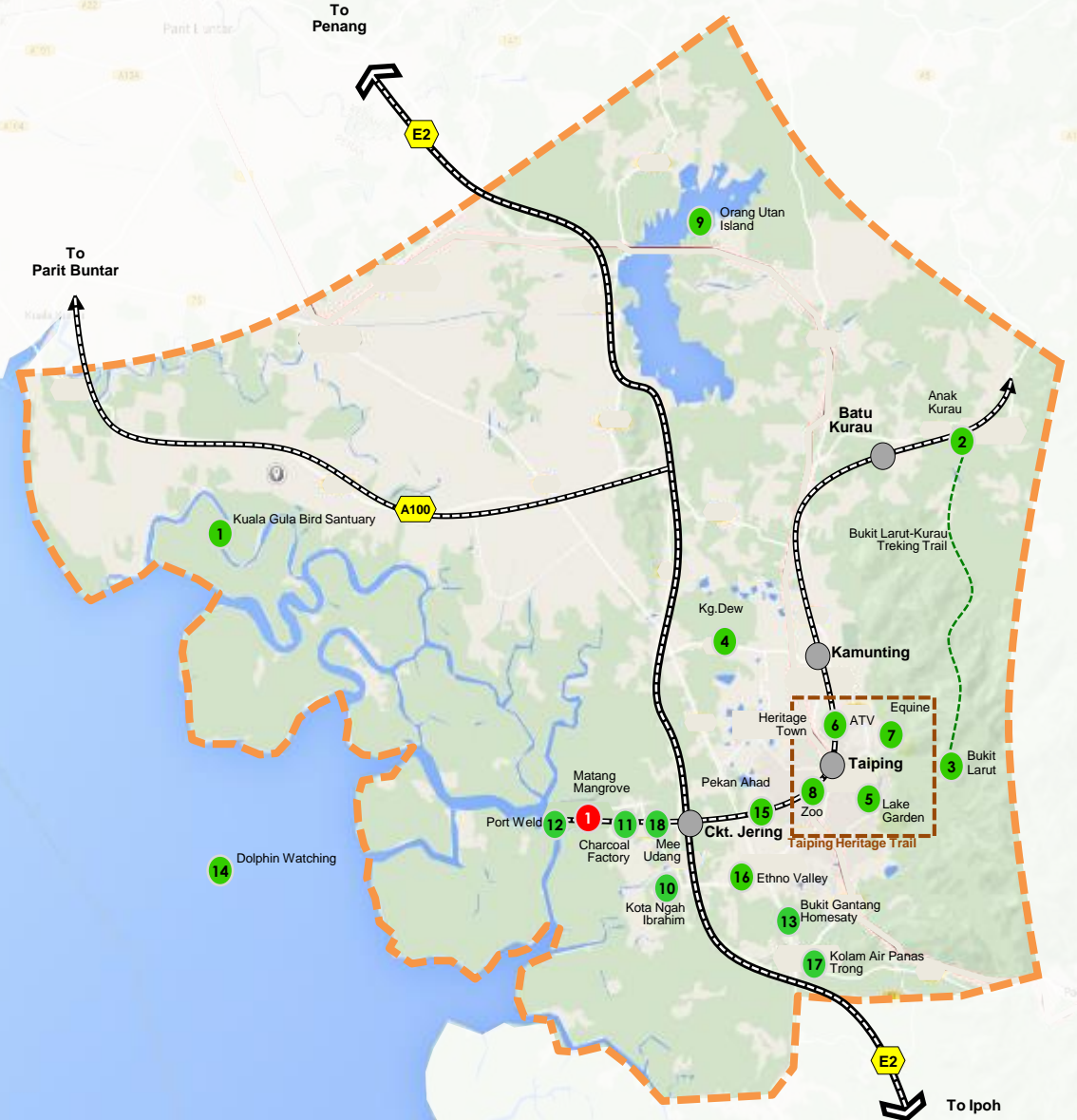
### Theme Park

- Bukit Merah Lake Town Resort

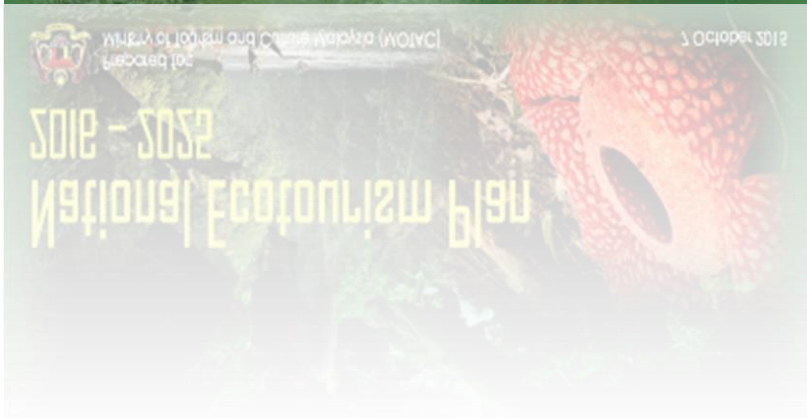
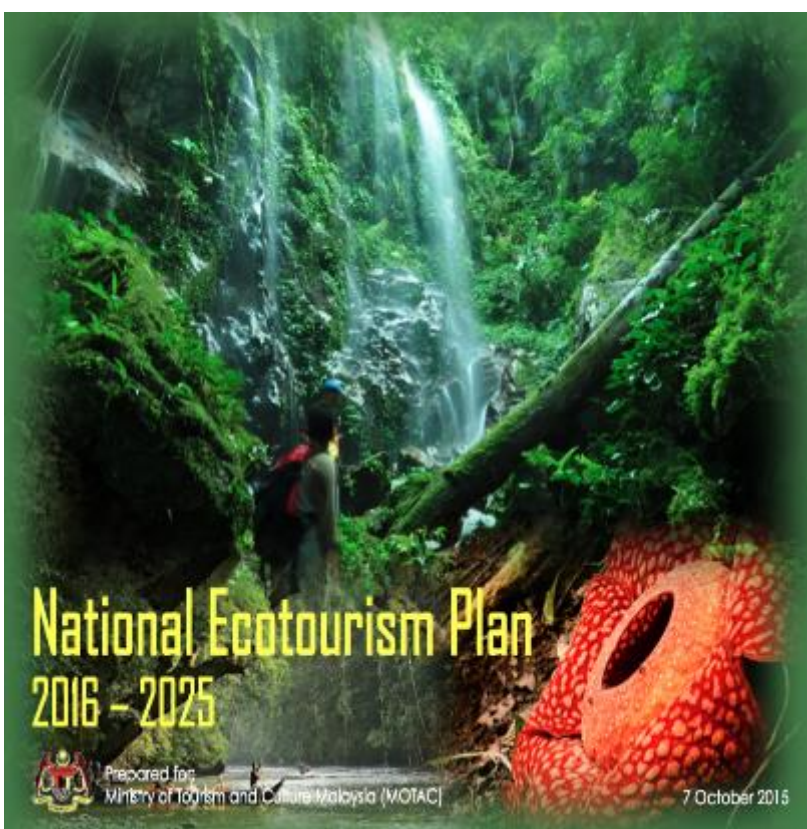
- Visiting

### Cluster USP/Theme

- Urban ecotourism destination



Legend:  Main Town  Key Stones  Supporting Product  Main Road  Boundary



# 5

## FOCUS AREAS

- ① Investment in Ecotourism
- ② Tourism Concessions
- ③ Synergy between Ecotourism & Conservation
- ④ Ecotourism Marketing
- ⑤ Ecotourism Clusters

18

STRATEGIES

84

ACTIONS

# NATIONAL ECOTOURISM PLAN 2016-2025

## FOCUS AREA 1:

# Investment in Ecotourism

3

STRATEGIES

12

ACTIONS

- Two prong approach
- Strategies and actions aimed at creating a conducive environment to attract international and local investors
- Enhancing existing facilitation system and process to scale up small-scale ecotourism operators

## FOCUS AREA 2:

# Tourism Concessions

2

STRATEGIES

9

ACTIONS

- A national protocol for tourism concessions
- Creation of a sustainable financing system for protected areas (esp. national parks)
- Public private sector partnerships

FOCUS AREA 3:

# Synergy Between Ecotourism & Conservation

6

STRATEGIES

32

ACTIONS

- Mainstreaming Community Based Ecotourism
- Setting up of a Malaysian CBT Network
- Strengthening resilience of ecotourism industry

FOCUS AREA 4:

# Ecotourism Marketing

6

STRATEGIES

26

ACTIONS

- Customising ecotourism experiences
- Targeted marketing
- Use of social media and the technology as promotion tools

## FOCUS AREA 5:

# Ecotourism Clusters

1

STRATEGIES

5

ACTIONS

- Tool for (eco) tourism planning
- Clusters as basis for developing thematic circuits/corridors
- Self drive route planning
- Creation of Destination Management Organisations (DMOs)



# Example

## K.Kangsar-Lenggong-Royal Belum Ecotourism Cluster



### Resources, Products and Patterns

- Consists of 12 main tourism products
- Royal Belum State Park as the primary product supported by Lenggong Archaeological Valley and Kuala Kangsar Royal Town
- Kuala Lumpur dan Penang as the main gateways
- Existing informal scenic route between Kuala Kangsar to Gerik
- Major tourist flow is from Kuala Lumpur – Penang – Royal Belum, with a small number of tourists travelling from KL – Kuala Kangsar – Lenggong – Gerik – Royal Belum.

#### Key Stone: Royal Belum State Park

<b>Products:</b> ① Rainforest ② Temenggor Lake ③ Orang Asli ④ Biodiversity	<b>Main Activities:</b> ① Trekking ② Boating ③ Team building ④ Bird watching	<b>Experiences:</b> ① Soft – hard eco adventure ② Nature educational ③ Leisure	<b>Facilities:</b> ① Accommodation ② Jetty ③ Camp Site ④ Team building centre ⑤ Research centre
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#### Supporting Product: Lenggong Valley

<b>Products:</b> ① Archaeological sites ② Tasik Raban ③ Homestay ④ Handicraft ⑤ SMEs ⑥ Waterfall	<b>Main Activities:</b> ① Visiting ② Researching	<b>Experiences:</b> ① Educational ② Leisure	<b>Facilities:</b> ① R&R ② Accommodation
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#### Kuala Kangsar Royal Town

<b>Products:</b> ① Historical buildings ② Handicraft workshops ③ Food	<b>Main Activities:</b> ① Visiting	<b>Experiences:</b> ① Educational ② Leisure	<b>Facilities:</b> ① Accommodation ② R&R ③ Banking
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#### Existing Market Segment

- Family Leisure Groups
- Special interest (birding, anglers, history buffs)
- Student groups
- Small MICE



# Existing Plans and Proposals

## V I S I O N

### National Level

#### National Tourism Policy



MOTAC, 2012

- Develop Kuala Kangsar-Lenggong-Royal Belum tourism cluster
- Transform Gerik into service town and gateway to Royal Belum
- Enhance interpretation at Lenggong Archeological Museum (Perak Man)
- Develop 'royal tours' at Kuala Kangsar Royal Town

#### National Ecotourism Plan 2014



MOTAC, 2014

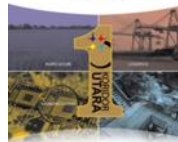
- Provision of infrastructure and facilities to support existing ecotourism development and activities



- To transform Royal Belum into a biodiversity hub in the region by 2020

### Regional Level

#### NCIA Master Plan



NCIA, 2010

- Transform Gerik into service town and gateway to Royal Belum
- Enhance interpretation at Lenggong Archeological Museum (Perak Man)
- Develop 'royal tours' at Kuala Kangsar Royal Town



- To transform Royal Belum as the top ecotourism destination in Malaysia

### State Level

#### Perak Tourism Strategic Action Plan



UPEN Perak, 2010

- Organise hallmark events at Royal Belum
- Market Royal Belum to international tourists
- Encourage local participation in ecotourism



- Royal Belum as one of the State's Icon and as a catalyst for the local economy

### Local Level

#### Lenggong Special Area Plan



Malaysia Heritage Dept. 2013

- Proposed thematic archaeotourism trail
- Proposed to develop archaeological research center
- Revitalise existing exhibition center

#### Integrated Master Plan For Belum Temengor Tropical Rainforest



- Re-brand Royal Belum destination
- Proposed infrastructure and facilities development
- Enhance existing activities to create the depth of tourist experience
- Proposed efficiency of connectivity to Royal Belum



- Develop Lenggong Valley as a National Edu-Archaeotourism Destination
- To lift up Royal Belum as a must visit ecotourism attraction in the region

D R A F T

# Stakeholder Views

## Product Development

- Need to provide more family fun based attractions within the cluster to attract mainstream tourists (UPEN Perak), especially from the family market segment
- Need to take into account traditional medical within the cluster as one of the supporting products (Perak State Park)
- Need to include Lenggong traditional food within the existing tour packages

## Infrastructure Development

- Expedite redevelopment process at Tasik Raban R&R
- Provide clear signposting along the Lenggong to Royal Belum route

## Destination Management

- Need to establish an advisory unit for "hand holding" of local entrepreneurs
- Need to utilise digital information such as mobile apps, GPS, etc. to provide tourism information within the cluster (Yayasan MK)
- Provide tourist information centre at Sg. Perak R&R
- Need to set up a Royal Belum Tourism Committee

## Local Community Participation

- Engage local youths to participate in tourism development through special incentives (YDP Gerik)
- Lack of opportunities given to locals (YDP Lenggong)

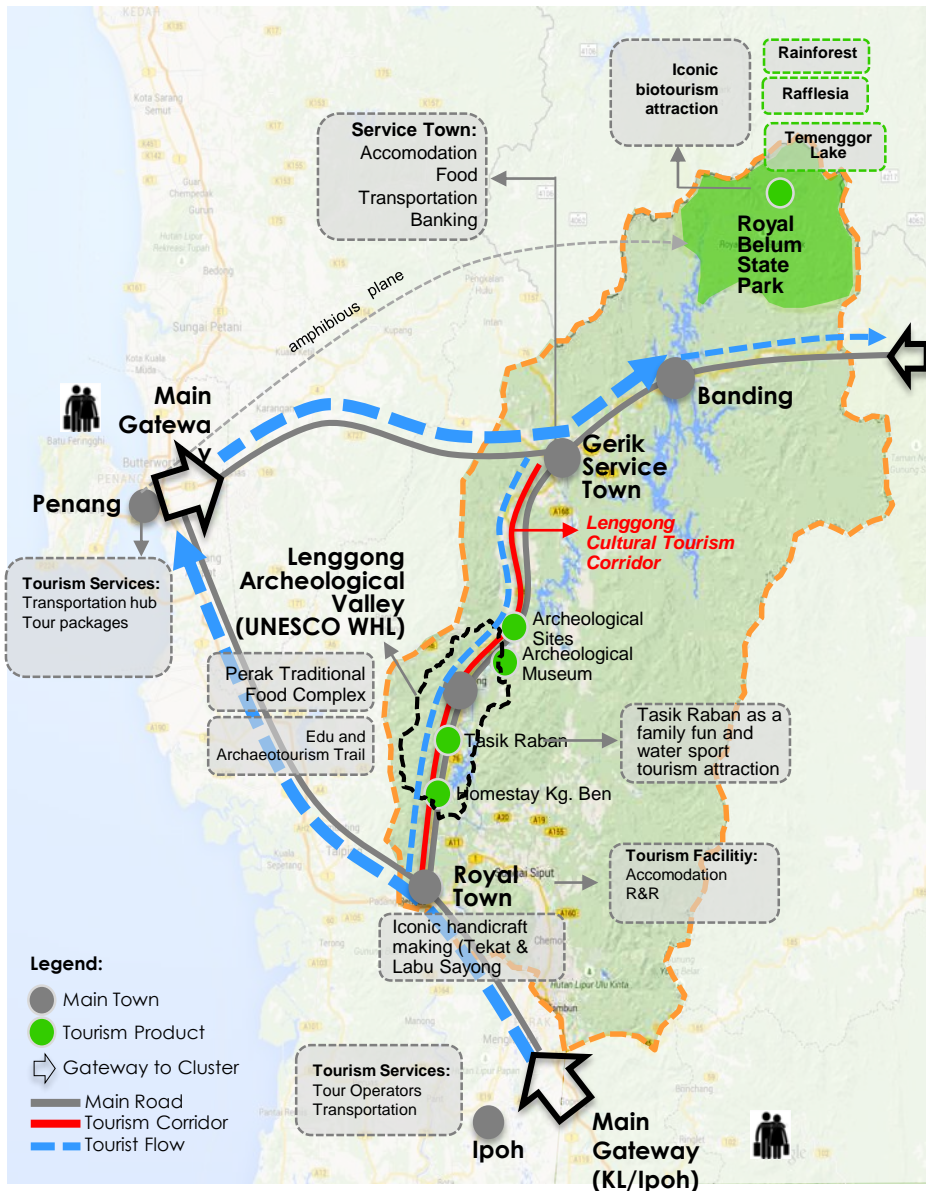
## Marketing & Promotion

- Need to target mainstream tourists for the cluster to create critical mass (MOTAC Perak)
- Avoid conventional marketing and promotion tools to reach target markets (TM, Perak)
- Need to focus on targeted market segments

## Human Resource

- Engage institutions with good track records to be master trainers for front liners (Persatuan Bot Tasik Banding)
- Assist local entrepreneurs with obtaining micro credit

DRAFT



## Issues & Opportunities

Issues/Impediment	Opportunities/Initiatives
<ul style="list-style-type: none"> <li>▪ Difficulty in preventing moon light activities at Royal Belum due to lack of resources for monitoring</li> <li>▪ Slow approval of permission entry permits to Royal Belum</li> <li>▪ Lack of supporting infrastructure such as proper R&amp;Rs</li> <li>▪ Bad impression to tourists due to logging activities along the road heading to Royal Belum from Gerik</li> <li>▪ Low readiness of the Orang Asli local community at Kg. Temiang to be involved in tourism as guides</li> </ul>	<ul style="list-style-type: none"> <li>▪ High willingness and readiness of the local community including Orang Asli to be involved in tourism services</li> <li>▪ Rich Perak traditional food</li> <li>▪ Committed development by NCIA to revitalise Tasik Raban</li> <li>▪ Committed development for the upgrading of Baling-Gerik federal road</li> <li>▪ Financial donation from Yayasan MK to commence tourism educational programme for locals.</li> </ul>

DRAFT

# CONCLUSIONS

- The cluster approach facilitates consultative planning (Healy, 1997)
- Spatial rural/ecotourism planning decided by strategies developed via participatory process
- No one size that fits all
- Clusters devoid of a strong network will fail
- Clusters do not produce magic results
- They provide the platform for integration and reduce working in solo

