

LETTER | Evolution of tours in Malaysia

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LETTER | Here is a first-hand account of looking back at the past and taking a glimpse into the future on the evolution of tourism in Malaysia, focussing on tour businesses.

1959

Trade Ministry initiated Tourism Department.

1960s

In 1960, Mayflower Tours was founded. In 1963, Tan Chong set up Acme Hire-N-Drive - the pioneer car rental company. In 1965, it operated BM 9070 and BM 9429 - the first tour buses in Malaysia. In 1973, the two companies merged to become Mayflower Acme Tours.

1972

Tourism Department was converted to Tourist Development Corporation (TDC) but was wrongly named, just like Kuala Lumpur Tourist Association in 1963. Both organisations should have used tourism instead of tourist. TDC introduced licensing of tourist guides in 1975.

1973

I joined Mayflower as a tourist guide cum limousine driver, and drove VIPs and visitors travelling on independent tours. My first day was spent observing a tourist guide conducting a full-day sightseeing bus tour around Kuala Lumpur. On my second day, I was assigned to conduct the same tour all by myself although without being trained as a tour guide or having prior experience.

But I managed to perform well, thanks to several factors. Like many of my peers in those days, I studied in English-medium schools and excelled in geography and history. I spoke English while working in several large motor firms and later when selling life and general insurance.

Passengers were mainly hotel guests and receptionists were paid commissions for booking tours. I saw the potential of these daily sightseeing bus tours, but Mayflower was too busy with inbound and outbound tours, airline ticketing and car rental. Later, a small new company concentrated on daily bus tours and made

a fortune from shopping commissions over the years.

For more than 50 years, daily bus tours operate from both Kuala Lumpur and Penang. But sadly, they are still not available in many destinations. And as long as daily bus tours are not operating from a city, tourism around the area will remain in its infancy. It would be too costly for visitors to charter a taxi or tour car or van for sightseeing within the city or travel overland to another.

The first tourist that I handled was an elderly Argentinian doctor who could only speak Spanish, but I could not. Her sightseeing tour plus arrival and departure transfers were provided using a touring car that I drove. After escorting her to the check-in counter for her departure flight, I chose to wait, for sentimental reasons, until the aircraft finally took off before leaving Subang Airport.

I also remember very well the first tour group that I handled. Upon reaching the airport for the departure flight, the tour leader disclosed that she has never met a tour guide who is more sincere, not knowing that it was my first tour group. I managed to cover up because my English was clear and easily understood. But I became jaded within two years of hearing myself parroting.

Most of my tour groups were Americans while those on independent tours were Australians. During this period, my colleagues were busy with Australian groups

that would also travel overland from Kuala Lumpur to Singapore. Our Japanese-speaking tourist guides became very rich from shopping commissions, as gold jewellery here was very much cheaper than in Japan.

1975

I accepted an offer to work in the office as a tours coordinator and communicating with foreign tour operators was mainly via snail mail and rarely used facsimile or telex machines. Then, the cost of making long-distance phone calls could possibly wipe out meagre profits.

I also handled tour coach charter bookings and the rate was RM500 per day. Then, new double-storey link houses was selling for below RM28,000. Today, the same house has a market value of around RM840,000 or 30 times more, whereas coach charter rates have only about doubled.

1980s

In 1987, the Culture, Arts & Tourism Ministry was established and TDC was absorbed into the ministry, which set up the Malaysia Tourism Promotion Board (MTPB) as its marketing arm. Tour Operating Business and Travel Agency Business (TOBTAB) regulations were also introduced requiring all travel and

tour businesses to be registered with the ministry.

Over the next 20 years, the ministry would be tight-fisted on issuing TOBTAB licences, forcing people with financial resources and wanting to venture into travel businesses on their own to buy over existing companies that were either dormant or faring poorly.

1990s

The first Visit Malaysia Year (VMY) was in 1990. It was so successful that we got greedy and held another one within four years. In 1993, MTPB held a “Make it Malaysia 1994” campaign by inviting leading outbound tour operators from around the world to revisit our country.

This was because they were the ones that determined what tours are to be contained in their annual catalogues. And if one or more tour packages were to include Malaysia in the itinerary, then their customers will get to visit our country. If none, we would be left out or bypassed.

One of the most effective ways to get foreign tour operators to sell Malaysia was to invite them to come and experience what we have to offer. Leading outbound tour operators could travel to anywhere in the world for free, as there was no

shortage of businesses eager to host them.

In 1993 for example, MTPB extended invitations to top American and Canadian tour operators, Malaysia Airlines issued them complimentary return airline tickets, Malaysian Association of Tour and Travel Agents' members provided complimentary airport transfers and sightseeing tours, and Malaysian Association of Hotels' members offered complimentary suites.

2000s

In 2004, the name was changed to Ministry of Tourism after the culture and art portfolios were moved to another ministry. Following 50 years of independence, we celebrated VMY 2007 and before that, TOBTAB licences were liberalised, allowing many to join the tourism bandwagon.

In 1990, Malaysia received less than 7.5 million foreign tourists. The number rose to 10.2 million in 2000 and almost 21 million in VMY 2007. Subsequently, the number kept rising every year until we reached a record high of 27.44 million in VMY 2014.

While inbound tours plateaued from 2015 to 2019 with an average of 26 million arrivals per year, the travel agency business was crushed after airlines stopped

paying sales commissions in 2008. Until then, commissions were five percent for domestic flight tickets and nine percent for international.

When travel agencies started charging service fees to survive, customers learned to book flights on their own, as online reservations have been simplified. By then, airlines were confident that they could deal directly with almost all their passengers, rendering travel agencies dispensable.

2010s

Budget carriers have allowed many people in Malaysia and around the region to travel cheaply by air, both domestically and internationally. And cruises have grown popular just as the size of passenger ships has grown from below 100,000 gross tonnages to several hundred thousand.

International travel was at its peak during this period, with outbound tour operators making a killing, even though a large number of Malaysians travelled overseas by making do-it-yourself arrangements. And inbound tour operators were geared for a record year in VMY 2020.

2020s

The world came crashing down after Covid-19 struck in early 2020 and international travel was the worst hit after borders were closed for leisure travel and domestic tourism was severely impacted by internal travel restrictions.

While many inbound and outbound tour operators could lay off staff, those saddled with tour vehicles had no income to repay hire-purchase loans or for leasing. Worse, unutilised vehicles continued to depreciate and could not be sold off because there were no buyers.

Travel arrangements in future

Tour operators that run tour vehicles to provide transfer and sightseeing services will continue to be needed, while those acting as middle persons will be phased out by the latest technology - just like most travel agencies in 2008 and film cameras replaced by digital cameras in smartphones.

Giant online travel agents have long cornered the market for booking flights and hotels, and e-hailing apps for transport services upon arrival.

Super apps of the future would offer all-inclusive value packages with options for transport, meals, accommodation and entertainment at every destination for travellers to enjoy to the hilt, similar to the all-you-can-eat buffet concept.

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