

PENANG ECONOMIC OUTLOOK SEMINAR

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“Presentation on the Tourism Industry in Penang”

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Introduction

First of all it is always with a great pleasure that I participate with a group willing to work seriously on improving our Tourism product in Penang. I sincerely hope that we all came here with an open mind to ensure and assure changes and drastic needed improvement for our Tourism sector. I would like today to be in a positive way the devil advocate as I am pretty sure we are not here to agree that everything is beautiful and there are no difficulties. But I would like to raise questions for which I can't alone give all the answers but it will help to focus on our serious need. This if you all agree! Again I believe in Penang but after 8 years with this great destination we have to do something fast for our own survival but most important our improvement. We are in a very competitive business and I wish to return today to basic to ensure and assure we become even more successful in the future.

What do we need to sell a destination?

1. A product that could attract people
2. A channel of communication to promote it
3. Easy access to product
4. Constant improvement of the product and facilities

Let's ask ourselves why people decide to go to this or this destination?

- Is it to relax
- Is it to have fun
- Is it to learn a new culture
- Is it to have a total culture chock
- Is it because the neighbour or a friend was so pleased with that place? or is it fashionable?

There are many reasons why people select a specific region. But most of the time people selecting an Island have already in mind the following: the high coconuts tree over a beautiful beach of white sand with clear water and many colourful fish. In less words a little corner of Paradise on earth. Isn't it?

Can we describe Penang that way? We probably, I am sure, use to be very close to it! Things have change and what have we done and what have we now as a product in regards of the beach? Are we attractive? What can be done? What will happen if we don't do anything now in 10 years or less?

Another serious problem at the beach side the percentage of returnee is very high, they all come back for comfort and they know the hotel crew and vice versa - this a comfort zone. But once these guests cannot travel anymore who is going to take their place? We don't see young ones in big number, is it? Our Tourist is ageing and this is another problem to face.

Other famous tourist product - Snake temple. It is not anymore what it is described in the tourist guide or been told by travel agent abroad. Honestly it is a serious disappointment. Again what will be done?

It goes the same for Penang Hill. Nothing has change in years. Like a guest was telling me. He came nearly 15 years ago and when he came down he told me "it is just like 15 years ago and not so sure the hand rail was repainted".

Again things can be done beautifully to attract customer if done with taste and having long term in

mind. We have Georgetown and pray that it stays! This is a great base for us, as Tourists love to visit such heritage city. It has to be kept the way it is but regulate the traffic and have walking zone well organized. The help of a city planner could be of great assistance.

What is the latest tourist attraction in Penang? I know there has been, there is many project but most have remained as projects. Why? International Events are great stepping stones to attract tourism and put the city / country on the map. We do not have enough of it and we can all do it successfully if we do not think profit in the first few years until it made a name of its own.

Do we have easy access to our Island? Do we have sufficient flights? Are we making it easy for the customer to come?

Competitors

Who are they?

- Phuket
- Koh Samui
- Sabah
- Bali
- Singapore

Where do we stand against them? Honestly on the last position. Why? Thailand has been always very proactive and created this absolute great advertisement with "Amazing Thailand 1 and 2". They are seen in practically every magazine or TV program. Who have not heard about them? They have been and are still very visible (even at the door of Penang They have a huge billboard) When you think Phuket you really get the image describe earlier.

It goes the same with Sabah, when you think of them you think adventure, nature. Bali is for the western world since the last 50 years the paradise on earth. Is it because of their culture is still very strong in the daily life? Is it that the rice fields are still working the same way than 100 years ago with a bull and not a tractor? Is it the multitude of handicrafts? Bali is so well know it is everyone's dream to go there, isn't it?

Singapore has always been extremely pro active and has constantly upgraded or created new tourism products as well as for MICE they have been on their toes to make Singapore the harbour of most MICE business in the region. When you think Singapore you have shopping, entertainment, cleanliness, organized, efficiency.

Competitiveness

If we talking about rates we are number one. We are probably the best bargain in the whole region. But this is not enough to attract people, we need a good tourist attraction. Low rate could also have a very negative effect with the customer as it could create a poor quality image of our product. That is, a shirt at RM 6.50 or at RM 65.00, which one will you buy?

Most of our competitors have been extremely pro active. Last example was Thailand 2 weeks after the September 11th event. They were already having the whole tourism trade Brainstorming on what could be done to rectified the situation.

Today again we have a very poor image with safety issue and no aggressive Public Relation has been really put in place to avoid such negative perception. We need to rebuild urgently the confidence for our destination following September 11th event.

A Tourism Board?

Yes, we need strong professionals who could address our difficulties and associate with the state government and tourism trade sector of Penang. All successful cities / countries have one ; it is time that we get one!