



## Challenges and Outcome of Innovative Behavior: A Qualitative Study of Tourism Related Entrepreneurs

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### Abstract

The tourism industry is currently Malaysia's third most important industry in terms of foreign exchange earnings after the manufacturing and palm oil sectors. Its contribution to GDP growth is about 7.2%, suggesting that the industry is still in its infancy and therefore offers much scope for future growth. Furthermore tourism industry has been recognized as important economic activities especially during the current economic crisis. Malaysian government announced as part of the Mini Budget tabled in parliament on 10th March 2009 that RM200 million will be allocated to various tourism related programs. However, tourism industry is in a downward spiral due to various reasons such as global economic crisis and strong competition from other countries. Innovative efforts are necessary to further promote this industry so as to reap the full benefits and potential of this sector, besides giving it a competitive edge against its competitors like Thailand, Hong Kong and Singapore. Emphasis should be given to the development of competitive tourism products or services to enhance foreign exchange earnings and savings. Innovative approach such as creativity is the key element for success. This paper attempts to synthesize the scope and role of innovation in the determination of effectiveness of tourism related entrepreneurs. Furthermore, this paper proposed that strategic innovativeness and behavioral innovativeness enhance performance of entrepreneurs.

This paper presents the findings of the first phase of a larger research project on innovativeness of tourism related entrepreneurs. This initial phase involves an exploratory study into the innovative behavior of 23 tourism related entrepreneurs based in the island of Langkawi. Based on in depth semi-structured interview, the participant discussed their business challenges and innovative behavior that they adopted in responding to those challenges. This research contributes to the understanding of innovative behavior of tourism entrepreneurs. Participants in this research have provided some practical benefits by exploring their innovative behaviors as responses to their business challenges. However, given that the sample for this study is small, further research into this area is highly recommended.

**Keywords:** innovative behavior; innovativeness; langkawi; tourism

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## Introduction

Tourism is an important contributor to Malaysian economy. It is the largest component within the service sector which in turn the largest contributor to Malaysia's gross domestic product (GDP) (10th Malaysia Plan 2011- 2015, 2010). On the basis of its contribution to the economy, tourism has been included as one of the agenda in the National Key Economic Areas. The tourism industries employ 1.7 million workers (16% of total employment) in 2008. From 2006 to 2009, revenue from the tourism industry increased 67.1% to RM53.4 billion and tourist arrivals increased 43.6% to 23.6 million.

Despite these achievements, several issues need to be addressed, including the need to develop vibrant and iconic tourism products, improve maintenance of existing tourism sites and adopting focused tourism promotions. During the 10th Malaysia Plan period, the target is to improve Malaysia's position to be within the top 10 in terms of global tourism receipts and increase the sector's contribution by 2.1 times, contributing RM115 billion in receipts and providing 2 million jobs in the industry in 2015.

To achieve the 2015 target, the focus will be on attracting a larger share of high spend travelers and capturing a higher share of high growth segments, particularly from Russia, India, China and Middle East, in addition to increasing the number of tourist arrivals. The strategies to achieve the targets are as follows:

1. Promoting differentiated strategies;
2. Improving tourism products through the creation of focused tourism clusters (Langkawi (the Geopark and Pulau Payar Marine Park), Pulau Pinang (Georgetown UNESCO World Heritage Sites), Sabah (Sipadan Island and Kinabalu Park UNESCO World Heritage Sites) and Sarawak (Sarawak Cultural Village and Gunung Mulu National Park UNESCO World Heritage Sites));
3. Develop new iconic tourism products through the private sector and public-private partnership;
4. Improve maintenance of tourist sites;
5. Realign promotional and advertising activities and physical presence of Tourism Malaysia offices overseas; and
6. Introduce certification of tourism products and activities.

Apart from all the strategies listed above, innovativeness remains one of the important factors in enhancing tourism enterprises even though innovation is always forgotten

low technology industry (Hirsch-Kreinsen, 2008). Datuk Mirza Mohammad Taiyab urged tour agents "to get innovative and creative" ("Rm40bil Targeted from Local Tourism: Tour Agents Told to Get Innovative and Creative to Woo the Public," 2010). Furthermore, Datuk Seri Ng Yen Yen, Tourism Minister, told the tourism industry to be "more innovative and creative in exploiting and capitalizing on product" ("Be More Innovative and Creative, Tourism Players Told," 2010). Therefore there is a need for a research looking at innovativeness of tourism based enterprises. Moreover, there is a lack of study on innovation focusing on firms in developing countries (Zawislak & Marins, 2007).

Incorporating the scenarios of tourism industry and the important of innovation agenda, the objectives of this study are 1) to review research on innovation in tourism, 2) to identify any gaps in innovation within the tourism industry, and 3) to put forward propositions related to innovativeness and performance in tourism.

In this context, this paper is an attempt to elaborate on the initial findings that emerged from the pilot interviews.

## Malaysian Tourism

Tourism is the largest component within the service sector (which in turn the largest contributor to Malaysia's gross domestic product). On the basis of its contribution to the economy, tourism has been included as one of the agenda in the National Key Economic Areas (10th Malaysia Plan 2011- 2015, 2010). The tourism industries employ 1.7 million workers (16% of total employment) in 2008. From 2006 to 2009, revenue from the tourism industry increased 67.1% to RM53.4 billion and tourist arrivals increased 43.6% to 23.6 million. The tourism industry is currently Malaysia's third most important industry in terms of foreign exchange earnings after the manufacturing and palm oil sectors. Its contribution to GDP growth is about 7.2%, suggesting that the industry is still in its infancy and therefore offers much scope for future growth. Furthermore tourism industry has been recognized as important economic activities especially during the current economic crisis. Malaysian government announced as part of the Mini Budget tabled in parliament on 10th March 2009 that RM200 million will be allocated to various tourism related programs.

Tourism industry is in a downward spiral due to various reasons such as global economic crisis strong competition from other countries. Innovative efforts are necessary to further promote this industry to reap the full benefits and potential of this sector, giving it a competitive edge against its competitors like Thailand, Hong Kong and Singapore.

Emphasis should be given to the development of competitive tourism products or services to enhance foreign exchange earnings and savings. Innovative approach such as creativity is the key element for success. This paper attempts to synthesize the scope and role of innovation in the determination of effectiveness of tourism related entrepreneurs.

During the 10th Malaysia Plan period, the target is to improve Malaysia's position to be within the top 10 in terms of global tourism receipts, to increase the sector's contribution by 2.1 times, contributing RM115 billion in receipts and to provide 2 million jobs in the industry in 2015. To achieve the 2015 target, the focus will be on attracting a larger share of high spend travelers, capturing a higher share of high growth segments, particularly from Russia, India, China and Middle East and increasing the number of overall tourist arrivals.

Dynamic competitive environment and advancement of technology has led to constant changes in market and consumer preferences in the tourism industry (Hall & Williams, 2008). There is no exception for the Malaysian tourism industry. For example, the tourism in the island of Langkawi has seen its ups and downs. During booming economy, stable oil prices and no infectious diseases, Langkawi received a high tourist arrival. But during a gloomy economy, skyrocketing oil prices and maybe outbreak of diseases, tourism entrepreneurs in Langkawi were badly affected when the tourist arrival drops. The worst hit moment for Langkawi was when a few years ago, the previous Prime Minister of Malaysia gave directive preventing government agency to conduct meetings, trainings or activities outside of their own district. Langkawi, usually the preferred location for meetings and training were deserted.

Recently, Langkawi was awarded as one of the top ten island destination by the National Geographic Channel in February 2011 ("Top 10 Beaches," 2011). The award is definitely a good springboard for Langkawi but more need to be done for Langkawi to achieve and maintain sustainable competitive advantages. One of the must have strategy is innovation. According to Hjalager (2010, p. 1), "tourism has been a phenomenon characterized by immense innovativeness." Innovation challenges differ from firm to firm. Therefore, scrutinizing the implicit and explicit business activities within a firm is essential in understanding how innovation actually takes place (Davey, Brennan, Meenan, & McAdam, 2011). Incorporating the scenarios of tourism industry and the importance of innovation agenda, the objectives of this study is to identify challenges and its corresponding innovative responses within the tourism industry in Langkawi.

## Innovation in Tourism

Innovation has been given many definitions. Datuk Mohamad Zabidi Zainal (Ketua Pengarah MAMPU) defined innovation as "creative ideas that leads to an increase of quality and productivity of service delivery" ("Inovasi Sektor Awam Melestarikan Perkhidmatan Kelas Pertama," 2011). Hall and Williams (2008) identified four distinctive features of tourism innovation. The features are (1) co-terminality of service production and consumption, (2) information intensity and information technology (IT), (3) quality enhancement and human resources, and (4) organizational factors. Meanwhile, Hjalager (2002) presented example of innovations in tourism. She divided the innovations into four types, regular, niche, revolutionary and architectural. The examples for each type of innovations are listed in Table 1.

Innovativeness is the ability to create something new or bring about sound renewals and changes, acting in a way that utilizes this ability. In addition to that, innovativeness has been defined in many ways. One of them is as "an organization's overall innovative capability of introducing new product to the market, or opening up new markets, through combining strategic orientation with innovative behavior and process" (Wang & Ahmed, 2004). Another definition is as a firm's capacity to engage in innovation (Hult, Hurley, & GA, 2004). A much more comprehensive definition is as capabilities of introducing new product to the market, or opening up new markets through combining strategic orientation with innovative behavior and process. New products, new services, opening new markets, new sources of supply, and new ways of management practice (Hashim, Mahajar, & Ahmad, 2003).

One of the prominent researchers on innovation in tourism is Anne-Mette Hjalager. She has conducted and published more than 100 researches on this topic. She defined and described innovation in tourism. She also postulated that "Innovativeness in tourism is more likely if welfare-based sectors are well connected with other sectors." (A. Hjalager, 2006). In 2009 she published a case study on cultural tourism event focusing on innovation system (A. Hjalager, 2009a). Another research that she published in 2009 explored the relationship between innovation and developments in medicines on tourism (A. Hjalager, 2009b). Her recent articles listed 10 ways and approaches for research on tourism innovation (A.-M. Hjalager, 2010). She also summarized ten gaps in tourism innovation research:

1. Innovation process
2. Driving forces
3. Barriers to tourism innovation
4. Innovation and economic performance
5. Technological innovations

Types	Examples
Regular innovations	<p>New investments in larger structures, e.g. bigger hotels with more comprehensive facilities.</p> <p>Removing structural bottlenecks through changes in technology or time-scheduling procedures.</p> <p>Internal training of personnel, resulting in enhanced or speedier service, or enabling additional advantages to be offered to customers.</p> <p>Upgrading quality standards in well-defined ways, e.g. from a two- to a three-star classification.</p> <p>Approaches to new markets with the same methods and products.</p>
Niche innovations	<p>New categories of company could be invited to enter the tourist sector or destination as a supplement to existing companies, e.g. a franchiser not previously represented or a foreign investor. Suppliers of other complementary products could be convinced that tourism is a market for them, e.g. certain types of retailers or providers of health services.</p> <p>Establishment of marketing alliances, e.g. with specialised tour operators in order to access new customer groups.</p> <p>New combinations of existing products. There are many types of activity, e.g. theme co-ordinating calendars, signboarding, event-making, etc.</p> <p>Activating small-scale tourism resources, e.g. in connection with agriculture.</p>
Revolutionary innovations	<p>Diffusion of new technology in enterprises, so that staff either stop doing what they used to do or do it in other ways. An extreme case is the combined development of kitchen equipment and the supply of pre-cooked items, which removes cooking skills from restaurants.</p> <p>Electronic marketing and sales is different from distributing brochures and pamphlets, but the customers and suppliers may well be the same.</p>
Architectural innovations	<p>Exploitation of a new resource, e.g. Arctic tourism, where the building of ice hotels and attractions requires new designers, builders, equipment, marketers, etc.</p> <p>Redefining infrastructure, e.g. in response to environmental regulation. A ban on new tourism facilities along the coast demands a redefinition of the economic potential in other places.</p> <p>Creation of other ways of accessing knowledge in centres of excellence.</p>

Table I. Innovations in Tourism. Adopted from Hjalager (2002).

6. Diffusion of innovation
7. The role of entrepreneurship
8. Policy studies and evaluations
9. Academia and innovation
10. Developing tourism innovation theories

Innovation and tourism has been investigated from various perspectives. The intensity of innovation in tourism has been confirmed. There is also constant renewal of knowledge bases and their role in the definition of new uses of innovation and knowledge (Aldebert, Dang, & Longhi, 2010). By

leveraging virtual communities, tourism firm might be able to build strong customer relationships (Baglieri & Consoli, 2009). There is a substantial separation between tourism policy and innovation policy might be due to lack of recognition of tourism in innovation policy. One reason for such perspective is the perception that tourism industry is not innovative (Hall, 2009). Even though the formation of clusters can be a great opportunity for collaboration, involvement in government initiatives, successful business operations and sector management, consideration should be given to the process rather than to the outcomes (Novelli, Schmitz, & Spencer, 2006).

The development of the Internet has dramatically changed the market conditions for tourism organizations. Information and Communication Technologies (ICTs) evolve rapidly providing new tools for tourism marketing and management (Buhalis & Law, 2008). One way to use ICTs is as a means of improving knowledge and skills. Since there is a limited professional development for owner of small tourism operation, ICT can increase professionalism and innovation in the tourism industry through education (Holden, Foley, Lynch, & Hussey, 2010). Many tourism firms did not make any effort to utilize the attractor or collaborate with other firms even though collaboration among individual entrepreneurs and organizations are crucial in the innovation system (Mattsson, Sundbo, & Fussing-Jensen, 2005). Based on an investigation of the influences of entrepreneurial attitude on innovativeness and performance of tourism enterprises in Norway, there is a positive connection between entrepreneurial attitude and innovation in nature-based, tourism micro-enterprises (Nybakk & Hansen, 2008). Qualitative single case-study method has been used to studied how existing resources can be configured to create innovative products and to understand how a winter resort succeed in tourism industry

(Paget, Dimanche, & Mounet, 2010). Size, professionalism, entrepreneurship, varied innovation networks and supportive innovation systems are important determinants of innovation (Sundbo, Orfila-Sintes, & Sørensen, 2007). Knowing the factors of innovation potential of tourism firms, destinations or tourism clusters or an entire tourism sub branch will enable the firms to predict future areas of change in tourism production, product development and marketing (Weiermair, 2006).

Empirical verification of an innovation behavior model in the hotel industry that reveals four types of innovation such as management, external communication, service scope and back-office (Orfila-Sintes & Mattsson, 2009). Framework and rationale for service innovation policies has been proposed stating that specific service characteristics and specific service innovation needs may require specific solutions (Rubalcaba, 2006). Typology of innovation output has been recommended which comprises drivers of innovation, innovation outputs, and their connections with business performance (Sipe & Testa, 2009). Summary of reviewed articles are presented in table 2.

Table 2. Overview of Research on Innovation in Tourism

Author	Summary
Aldebert, Dang & Longhi (2010)	Highlights the intensity of innovation activity, evolution of tourism industry and impact of ICT.
Baglieri & Consoli (2009)	Investigate the role of virtual communities in building customer relationship, information provider and collaborative innovation for tourism firms.
Buhalis & Law (2008)	Reviewed and analyzed articles on eTourism.
Hall (2009)	Innovation is significant in tourism policies of Australia and New Zealand. Innovation is a significant part of tourism's economic but tourism was not recognized in innovation policy.
Hjalager (2002)	Define and describe innovation in tourism.
Hjalager (2006)	"Innovativeness in tourism is more likely if welfare-based sectors are well connected with other sectors."
Hjalager (2009)	Explores the relationship between innovations and developments in medicines on tourism. Innovation may affect the way tourism and tourism economics develop.
Hjalager (2009)	An illustrative case study of a cultural tourism event, focusing on the concept of innovation system.

Hjalager (2010)	Listed 10 ways and approaches for research on tourism innovation.
Holden, Foley, Lynch & Hussey (2010)	Limited professional development for owner of small tourism operation.
Mattsson, Sundbo & Fussing-Jensen (2005)	Individual entrepreneurs and organizations are crucial in the innovation system.
Novelli, Schmitz & Spencer (2006)	Use Healthy Lifestyle Tourism Cluster (HLTC) as reference in investigating the process of network, cluster and tourism business innovation development.
Nybakk & Hansen (2008)	Investigates the influences of entrepreneurial attitude on innovativeness and performance of tourism enterprises.
Orfila-Sintes & Mattsson (2009)	Tested a model of determinants and outcome of innovation in the hotel industry.
Paget, Dimanche & Mounet (2010)	Analysis of how existing resources can be configured to create innovative products, focusing on tourism company.
Rubalcaba (2006)	Proposes framework and rationale for service innovation policies.
Sipe & Testa (2009)	Summarized definitions of innovation output. Recommended typology of innovation output.
Sundbo, Orfila-Sintes & Sorensen (2007)	Size, professionalism & entrepreneurship are important determinants of innovation.
Weiermair (2006)	Analyze areas of the tourism value chain where innovations are most likely to occur.

## Methods

This study used semi-structured interviews to collect data whereby founder-owners or representatives were asked to recall and discuss the challenging events they had experienced in managing their business that had affected their business negatively. Each participant also explained their re-

sponses to the challenges. A total of 23 entrepreneurs were interviewed between June 2011 and August 2011. They were selected from Langkawi Travel & Tours Database. Table 3 summarizes the characteristics of the participants. Each interview lasted between 1½ to 3 hours and these were then transcribed, coded and analyzed to derive key themes and innovative behaviors.

Table 3. Characteristics of Participants.

Participant	Gender	Age	Education Level	Designation	Type of Business
A	Female	25	Diploma	Executive	Tour Operator, Bus Rental
B	Male	45	SPM	Director/ Owner	Tour Operator
C	Male	55	Diploma	Director/ Owner	Batik & Art Gallery
D	Male	33	Bachelor's Degree	Coordinator	Tour Operator, Internet Services
E	Male	42	Diploma	General Man- ager/Owner	Accommodation
F	Male	39	Master's Degree	Chief Opera- tion Officer	Attraction Park (cable car)
G	Female	41	STPM	Executive	Tour Operator, Internet Services
H	Female	50	Bachelor's Degree	Director	Craft Complex
I	Male	45	Bachelor's Degree	Managing Director	Crocodile Farm
J	Female	23	SPM	Director	Travel & Tour Operator
K	Male	40	Helicopter Pilot Li- cense	Helicopter Pilot	Helicopter Ride
L	Male	79	SPM	Managing Director	Inbound Tour Operator, Car Rental
M	Male	55	SPM	Chairman	Nature Tour (Mangrove, Cave, Fish Farm etc)
N	Male	27	Bachelor's Degree	Assistant Tourism Officer	Museum
O	Male	28	Bachelor's Degree	Director/ Owner	Tour Operator, Realty
P	Female	45	SPM	Director	Tour Operator, Bus Rental
Q	Male	50	Bachelor's Degree	Station Manager	Agro Technology Park
R	Male	37	SPM	Director	Tour Operator, Car Rental
S	Female	19	SPM	Marketing Executive	Travel & Tour Operator
T	Male	53	SPM	Director	Travel & Tour Operator, Car Rental

U	Male	40	Bachelor's Degree	Managing Director	Cruise & Private Charter
V	Male	59	Master's Degree	General Manager	Theme Park
W	Male	49	Bachelor's Degree	General Manager	Wildlife Park

## Result and Discussion

This study identified challenges faced and responses to the challenges by entrepreneurs in Langkawi. The aim was to discover innovation or innovative behavior of the entrepreneurs. A total of ten categories of challenges have been identified. Under each category, challenges and the responses to the challenges were analyzed, as presented in Table 4.

Table 4. Challenges and Responses.

Category	Challenges	Responses to Challenges
Competition	Strong and stiff competition Crowded marketplace Illegal operators	Operate outside normal hours, nights, weekends, holidays (example Night Ride for cable car) Nature trails
Marketing	Reaching global tourist Attract tourist	Established presence online Online booking Participate in tourism fair Networking with/through association, government agency Credit card/Online payment facility 24/7 email reservation system Full board/all inclusive package Fascinating design, out of norm Extra offering (bottle water, cold towel) Arranged product demonstration Organize festival Offer space/booth to government agency Create/maintain website/blog/Facebook Specifically target Generation Y (doesn't have a chance to live in a village) Passport Langkawi (One price, six destinations)

Price/Cost of doing business	Local tourist spend less Not a factor for Foreign tourists Government Tax (25% from every ticket sale)	For middleman, pick and choose good and reliable operators Tiered ticket price (Local and Foreign) Had to increase ticket price to cover cost Collaborate (travel & tours, hotels, rental cars) in having online presence, booking, payment facilities Promote as a team
Business structure	Place of attractions/shops are expected to give commission to travel agents, taxis Travel agents, taxis will avoid attractions/shops that doesn't give commission Mismatch business practices between major attraction and surrounding/supporting shops (difference owner, operating hours)	Advertise at strategic places (such as baggage carousel at Langkawi International Airport) Consolidate major attraction and surrounding/supporting shops under same ownership/management.
Language	Non-English speaking tourists Difficulty in hiring staff who can speak Russian, Japanese, Arabic	Use pictures and sign languages
Employee/Staff	Lack of staff Malaysian are more attracted to work at hotels (salary, glamour)	Request temporary staff from LADA
Illegal Operators	Crowded marketplace Low cost of doing business due to license free operation, no insurance Lack of self regulation	Cooperate with authorities to catch/eliminate errant operators
Weather	Unexpected rain (cancelation of outdoor activities)	Initiated equally attractive indoor activities Major attraction have a hall/space to cater for unexpected events

Environ-ment	400 premises(restaurants, chalets etc) releasing sewage into the sea, creating overflow of bacteria and micro-organism, attracting jellyfish to the shore Global disease outbreak scare off tourist (Bird flu disease)	Regulation Proper sewage treatment system Change name (from Bird Paradise to Wildlife Park)
Location	Far from town center, popular beach	Commission to bus/taxi drivers, tour guides

First major challenge extracted from the interviews includes stiff competition in a crowded marketplace. Entrepreneurs responded to such challenge by operating outside normal hours such as extended opening hours until midnight and also open for business seven days a week. Hall and Williams (2008, p. 18) has also mentioned that “Competition is one of the driving forces of innovation generally as well as in tourism.” Entrepreneur D (the owner of tour operator) reported that his company responded to competition by offering extra service not offered by competitors. He mentioned,

*“Tourist can make payment payment via credit card for their convenience. We have special arrangement with bank to get the swipe machine. The rest of the tour operators in Pantai Cenang only deal with cash. We are the only tour operator in Pantai Cenang that has this facility.”*

Second challenge is categorized as marketing. Entrepreneurs in Langkawi find it difficult to reach to potential customers, especially foreigners. Entrepreneurs responded to this challenge in various means such as establishing an online presence, provide online payment facility, create and maintain blogs and collaborate on entry package via a traveler’s card. Entrepreneur W pioneered a traveler’s card program called Passport Langkawi. The card cost RM50 and covers a single entry to six attractions in Langkawi. However the card is only available for purchase outside Langkawi, at travel fairs throughout Malaysia.

The third category of major challenge is related to price or cost of doing business. Two main challenges are tax imposed on sales of tickets and the fact that local tourist spend less as compared to foreign tourist. Entrepreneurs responded to these challenges by offering a tiered ticket price, standard price ticket for foreigner and a cheaper price ticket for Ma-

laysian. Several entrepreneurs resorted to increasing price of entry tickets to offset the higher cost of doing business. Entrepreneur I mentioned his respond to this change,

*We need to increase the tickets price in line with the higher government tax imposed and at the same time we need to add value to justify the ticket price.*

Fourth category of challenges faced by entrepreneurs is due to business structure. Langkawi as a place of attraction is heavily influence by tour operators and taxi drivers. Tour operators and taxi drivers will only take tourist to the attraction that pays commissions. On one hand, attractions that don’t give commission are boycotted. On the other hand, attraction that give commission are actually increasing their cost of doing business which eventually transfer to back to tourist by means of more expensive products and services. Another issue related to business structure is the misaligned business practices such as opening hours. A major attraction and small shops surrounding it are dependent on each other. But they failed to align their business hours. Major reason for such misalignment mentioned by entrepreneur F is due to different ownership of the attraction and the complex that houses the small shops. Entrepreneur F has initiated the request to get both the attraction and the complex to be under the same ownership.

The fifth category is related to communication. Not all foreign tourists speak English. Langkawi is a major destination for non English speaking tourist from Middle East, Japan and Europe. It is difficult to find local who can speak Arabic, Japanese, Finnish, Russian and several other European languages. To overcome this challenge, several entrepreneurs decided to use sign language and pictures to communicate.

There are five other categories of challenges extracted from the interviews with entrepreneurs in Langkawi. These five categories of challenges and its corresponding responses are however less prominent based on the analysis of the interviews. The challenges are categorized as employee/staff, illegal operators, weather, environment and location.

### Implication and Conclusion

This study reveals similarities between the innovative behavior exhibit by entrepreneurs in Langkawi with the examples of innovation in tourism reported by Hjalager (2002). Example of such similarities are introducing nature trails, geological/forest park, consolidate major attraction and surrounding shops under same ownership or management (architectural innovations); established presence online, on-line booking, online payment facility, 24/7 email reservation system (revolutionary innovations); introducing Passport Langkawi discount card, collaborate (travel & tours, hotels, rental cars) in having a combined online presence, booking, payment facilities (niche innovations); and operate outside normal hours, tiered ticket price (regular innovations). This research has contributed to the development of a survey instrument of a larger quantitative study looking at the relationship of innovative behavior and performance of entrepreneurs. Further study in this area is highly recommended especially since the sample size of this study is small.

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