CRITICAL SUCCESS FACTORS OF COMMUNITY-BASED TOURISM IN
BATO PUTEH, KINABATANGAN, SABAH

NOR HANIZA BINTI MOHAMAD

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To my dearest husband, Khairuddin Bin Jahuri for supporting me endlessly and my beloved children Muhammad Nadzmi, Nadia and Muhammad Nadzrin for being such wonderful children.
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The community leaders and villagers of Batu Puteh, Kinabatangan, Sabah deserve special thanks for their cooperation. Their cooperation and patience exude humility that surpasses geographical and cultural boundaries.

My gratitude is extended to peer researchers, academic staff at Faculty of Built Environment and Faculty of Management, brothers and sisters at TPRG and FAB, and those who have contributed directly and indirectly throughout the process of this study.
Community-based tourism (CBT) is a form of tourism-driven community project to alleviate the economic, environmental and socio-cultural hardships faced by rural communities. Despite strong government support, many researchers have identified that CBT projects in developing countries have not achieved the desired outcomes and very few researchers have looked at the success of CBT project from the local community perspective. The study investigated the critical success factors (CSFs) of a CBT project from the perspective of the local community based on five research objectives: 1) identify factors that triggered the establishment of CBT, 2) identify perceptions of local community, 3) identify important factors that contributed to CBT success, 4) identify agencies involved in effectively assisting CBT to be more successful, and 5) propose management model to manage CBT. This study used a qualitative approach through a single case study. The site was a successful CBT project called Model of Ecologically Sustainable Community Tourism (MESCOT) located in Batu Puteh, Kinabatangan, Sabah, Malaysia. In-depth interviews triangulated with direct observation, and document analysis were used to collect data. 54 respondents, employed by MESCOT on a full-time and part-time basis were chosen through purposive sampling technique. Recorded interviews were transcribed and analysed using thematic analysis. The main findings are: 1) CBT Batu Puteh was triggered by economic difficulties in the area, 2) respondents perceived CBT project to be successful based on its ability to create economic benefits for the local community, 3) several CSFs attributed to the success of CBT, 4) partnerships between CBT and government or non-government agencies are crucial, and 5) a CBT management model is proposed. In conclusion, although the case study referred to a single CBT project in Malaysia, the findings of this study particularly on CSFs can be used as a guide by other CBT planners and managers.
ABSTRAK

Pelancongan berasaskan komuniti (CBT) adalah satu bentuk projek pelancongan yang diterajui oleh komuniti setempat bertujuan untuk mengurangkan kesusahan ekonomi, alam sekitar dan sosio-budaya yang dihadapi oleh komuniti luar bandar. Walaupun mendapat sokongan kuat daripada kerajaan, ramai penyelidik telah mengenal pasti bahawa projek CBT di negara membangun tidak mencapai matlamat yang diinginkan dan hanya segelintir penyelidik yang mengkaji kejayaan projek CBT dari perspektif komuniti setempat. Kajian ini menyelidik faktor kejayaan kritikal (CSFs) sebuah projek CBT dari perspektif komuniti setempat menerusi lima objektif kajian: (1) mengenal pasti faktor yang mencetuskan penubuhan CBT, (2) mengenal pasti persepsi komuniti setempat, (3) mengenal pasti faktor utama yang menyumbang kepada kejayaan CBT, (4) mengenal pasti agensi-agensi yang terlibat dalam membantu secara efektif agar CBT lebih berjaya, dan (5) mencadangkan model pengurusan untuk menguruskan CBT. Kajian ini menggunakan pendekatan kualitatif menerusi kajian kes tunggal. Tapak yang merupakan projek CBT yang berjaya dikenali sebagai Model Pelancongan Komuniti Berekologi Mampan (MESCOT) terletak di Batu Puteh, Kinabatangan, Sabah, Malaysia. Temu bual mendalam ditriangulasikan dengan pemerhatian terus dan analisis dokumen digunakan untuk mengumpul data. 54 orang responden yang digaji secara sepenuh masa dan separuh masa oleh MESCOT telah dipilih melalui teknik pensampelan bertujuan. Temu bual yang dirakam telah ditranskripsi dan dianalisis menggunakan kaedah analisis bertema. Dapatan utama kajian ini adalah: (1) penubuhan CBT Batu Puteh dicetus daripada kesulitan ekonomi di kawasan tersebut, (2) responden menganggap projek CBT berjaya berdasarkan keupayaan projek tersebut dalam memberikan faedah ekonomi kepada komuniti setempat, (3) beberapa CSFs telah menyumbang kepada kejayaan CBT, (4) kerjasama antara CBT dengan agensi kerajaan atau bukan kerajaan amat penting, dan (5) cadangan model pengurusan CBT. Dapat ditarik kesimpulan bahawa walaupun kajian ini menurutamanya yang berkaitan dengan CSFs boleh digunakan sebagai panduan oleh perancang dan pengurus CBT yang lain.
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CHAPTER 1

INTRODUCTION

1.1 Overview

This study investigates the critical success factors (CSF) of a community-based tourism (CBT) project in Batu Puteh, Kinabatangan, Sabah, from the perspectives of the local community. It is an attempt to gain a better understanding of the critical factors for a successful CBT project and the agencies that can most effectively assist in making CBT more successful. Chapter 1 gives an overview of the study. It includes sections such as the background of the problem, the research questions, the research objectives, the novelty of the study, the scope of research, the site of the case study, structure of the thesis, and lastly, the conclusion for this chapter.

1.2 Background of the Research

Tourism has been recognized as the fastest growing industry and one of the largest economic contributors in the world (UNWTO, 2014). For many developing countries, tourism is one of the main economic contributors particularly in terms of export exchange earnings, generating job opportunities, and other related economic opportunities (UNWTO, 2014). In fact, the economic benefits of tourism have led the governments of developing countries to extend its application to rural areas that are
generally suffer from the stigma attached to poverty. Indeed, many governments in both developed and developing countries have used tourism as an important socio-economic catalyst for development in peripheral and rural areas, and it has significantly contributed to the local economy (Goodwin, 2005).

1.2.1 Rural Tourism and CBT as a Development Tool

Tourism is deemed a viable economic sector for countries with natural resources due to its lower investment and start-up costs compared to agriculture or manufacturing industries. Tooman (1997) noted that tourism has made it possible for developing countries to be less dependent on agriculture and manufacturing. Indeed, rural tourism has been shown to contribute to income per capita and employment growth (Deller et al., 2001; English et al., 2000). It has the ability to revitalize socio-economic aspects and diversification activities that are crucial for rural development (Sharpley, 2002) as well as offers a better socioeconomic livelihood (Reeder and Brown, 2005). These benefits explain governments’ propensity to implement tourism in rural areas.

Rural tourism can take various forms: agrotourism, culture and heritage tourism, adventure tourism, ecotourism, voluntourism, CBT, and other variants. Of these, CBT is the most rapidly expanding and is becoming increasingly important, as it is used to meet the demands of tourists as well as being a strategy to develop the rural areas (Gunduz and Hatemi, 2005; Briedenhann and Wickens, 2004). CBT can fit the following general definition: “tourism activities or enterprise that involve local communities, occur on their lands, and are based on their socio-cultural and natural assets and attraction (Goodwin and Santilli, 2009).

Thus, CBT is acknowledged as a catalyst for rural development and empowerment. Many countries, especially in the Third World, have resorted to CBT as a tool to revitalise rural areas that are suffering from a decline in the agricultural sector (Hjalager, 1996; Tooman, 1997; Sharpley, 2002; MacDonald and Joliffe, 2003). Frequently, the government and the local communities regard CBT as a
panacea to all the rural economic difficulties given that it is a community project that is easy to start, due to its low start-up cost and readily available resources, has a low impact on the environment, and has a potentially high impact on the local community and because it generates direct economic benefits for the community. In addition, its compatibility with conservation and the rural development agenda makes it a preferred rural development strategy.

1.2.2 Factors Associated with CBT Failure

Numerous studies suggest that the success of CBT projects is not guaranteed despite financial and technical assistance from government or donor agencies (Goodwin and Santilli, 2009; Spenceley, 2008; Mitchell and Muckosy, 2008). As highlighted by various past studies, many factors contribute to the failure of CBT; some of these are external to the organization, and some are internal.

Internal factors that contribute to the failure of a CBT project are factors that originate within the CBT project, which are mainly attributable to weak CBT organization, incompetent CBT managers, poor local community capacity due to rurality, and an over reliance on CBT.

Weak CBT organisation is commonly mentioned as a factor of CBT failure as it has multi-faceted negative impacts. Many CBT projects that employ a traditional management structure, where local elites manage the projects, eventually collapse. These local elites are usually selected because of their position in the social hierarchy, but they may not necessarily possess the appropriate management skills or business mind-set. Therefore, they fail to run the project as a business-oriented entity, which results in poor monetary returns (Power, 1997; Renard, 2001). In the worst cases, these elites later find ways to divert whatever profits have been gained through CBT to themselves (Jenkins and Parrott, 1997; Scheyvens 2007; Vignati, 2009). When this happens, the local community frequently withdraws from the CBT initiatives because they do not trust the local elites. This distrust of the CBT managers’ capacity manage the project transparently slows down or halts the ‘buy in’
process from the community (Denman, 2001). Without community participation, CBT gradually dies.

Sometimes, a CBT project may have a strong CBT organization, but the use of incompetent managers eventually leads to CBT failure. Their lack of management knowledge and skills causes them to address CBT problems in an ad-hoc manner, undermining the importance of strategic planning and the problem-solving process (Jenkins and Parrott, 1997; Mitchell and Hall, 2005). These incompetent managers create poor product presentation and are unable to identify the target market and tourism demand (Jenkins and Parrott, 1997), which includes both the supply side (resources and community) and the demand side (market and tourism industry players). In addition, they are unable to address class, gender, and patronage inequalities (Belsky 1999; Scheyvens, 2007). In addition, some CBT projects lack a proper demand-driven approach to development and are not integrated into the existing local tourism supply chain (Jones, 2008). Rurality is another internal factor. Sometimes, the potential of CBT is restricted by problems associated with rurality (Liu, 2006), which means the knowledge and skills of the community are confined to their rural surrounding. In such cases, the local community lacks sufficient knowledge about the tourist demand (Denman, 2001) and subsequently lacks the capacity to deliver service quality (Jenkins and Parrott, 1997).

Over-reliance on the CBT project is another common internal factor. Sometimes, in cases where CBT has managed to provide a relatively good income, especially in communities that had earlier experienced failed agriculture or that have few employment opportunities, there is a tendency for these communities to become over reliant on CBT activities (Telfer and Sharpley, 2008). Such dependency can be economically detrimental to the rural communities due to the dynamic nature of the tourism industry or its susceptibility to global events. In cases where an unforeseen misfortune occurs, which negatively affects the CBT business, the community loses what might be its only source of income. Furthermore, sometimes, CBT projects are over-reliant on funding from donor agencies (Goodwin and Santilli, 2009; Manyara and Jones, 2007); once the funding dries up, projects find it difficult to sustain themselves financially and gradually cease operations.
External factors refer to factors that are outside the CBT project. One such factor is weak links with external organizations (Jenkins and Parrott, 1997; Scheyvens 2007; Vignati, 2009). CBT is known for its dependency on an external project initiator, such as NGOs or local agencies, for financial and technical support. Having a weak link or partnership with these strategies partners jeopardizes the project particularly at its launch. Frequently, many CBT projects that do not receive technical and financial expertise from these external agencies and organizations suffer from a gradual demise. Natural disasters, geographical accessibility, and changes in tourists’ trends and demands are other external factors that contribute to the success of a CBT project. However, it is beyond the scope of this study to dwell on the external factors because they are beyond our control. It is more practical to focus on factors that are within our control and that can be changed.

1.3 Research Problem

Similar to many other countries, Malaysia is using CBT as a tool to revitalise the rural economy. However, CBT in Malaysia takes the form of homestay projects. Rural tourism via homestay is an integral part of rural development initiatives; it is embedded in the Malaysia Rural Tourism Master Plan 2001 and emphasizes tapping the potential of Malaysia’s scenic rural landscape and hospitable people (RTMP, 2001).

Like other CBT programmes, the Malaysia homestay programmes also make it possible for rural people to participate in another income-generating activity. MOTAC, the Ministry of Culture, Tourism, and Arts, (2012) identifies homestay as a viable CBT project for rural people to take on since it utilises existing resources, such as the local culture, lifestyle, and heritage; economic activities; recreation; natural attractions; and environmental conservation. Therefore, as only a minimal start-up cost and maintenance cost are required, this is deemed a recommended business in which the rural poor can be involved.
Fortunately, the Malaysia homestay programmes receive strong support from the government. The homestay programmes are under the purview of MOCAT and are supported by agencies such as INFRA and KKLW, among many others, which work in tandem to develop homestays in Malaysia. Their efforts are successful because the number of homestay programmes and operators has been increasing steadily from 5 homestays in 1995 to 172 in 2014. Table 1.1 shows the number of homestay programmes registered with MOCAT in 2014.

Table 1.1: Statistics of Homestay Projects in Malaysia as of 31 December 2014

<table>
<thead>
<tr>
<th>No.</th>
<th>State</th>
<th>No. of Homestays</th>
<th>No. of Villages</th>
<th>No. of Operators</th>
<th>No. of Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Perlis</td>
<td>3</td>
<td>3</td>
<td>56</td>
<td>64</td>
</tr>
<tr>
<td>2</td>
<td>Kedah</td>
<td>15</td>
<td>20</td>
<td>334</td>
<td>431</td>
</tr>
<tr>
<td>3</td>
<td>Pulau Pinang</td>
<td>9</td>
<td>26</td>
<td>209</td>
<td>232</td>
</tr>
<tr>
<td>4</td>
<td>Perak</td>
<td>10</td>
<td>39</td>
<td>292</td>
<td>396</td>
</tr>
<tr>
<td>5</td>
<td>Selangor</td>
<td>15</td>
<td>34</td>
<td>443</td>
<td>709</td>
</tr>
<tr>
<td>6</td>
<td>Melaka</td>
<td>7</td>
<td>7</td>
<td>115</td>
<td>173</td>
</tr>
<tr>
<td>7</td>
<td>Negeri</td>
<td>12</td>
<td>32</td>
<td>275</td>
<td>409</td>
</tr>
<tr>
<td>8</td>
<td>Johor</td>
<td>18</td>
<td>38</td>
<td>384</td>
<td>504</td>
</tr>
<tr>
<td>9</td>
<td>Kelantan</td>
<td>8</td>
<td>9</td>
<td>152</td>
<td>182</td>
</tr>
<tr>
<td>10</td>
<td>Terengganu</td>
<td>8</td>
<td>8</td>
<td>153</td>
<td>155</td>
</tr>
<tr>
<td>11</td>
<td>Pahang</td>
<td>16</td>
<td>21</td>
<td>323</td>
<td>450</td>
</tr>
<tr>
<td>12</td>
<td>Sarawak</td>
<td>31</td>
<td>35</td>
<td>462</td>
<td>611</td>
</tr>
<tr>
<td>13</td>
<td>Sabah</td>
<td>17</td>
<td>33</td>
<td>242</td>
<td>454</td>
</tr>
<tr>
<td>14</td>
<td>Labuan</td>
<td>3</td>
<td>3</td>
<td>79</td>
<td>97</td>
</tr>
<tr>
<td>Total</td>
<td>172</td>
<td>308</td>
<td>3,519</td>
<td>4,867</td>
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</tbody>
</table>

Given the economic status of the rural poor, it can be safely said that majority of villagers are motivated to establish homestay programmes in their village and become homestay providers after hearing and seeing their counterparts in other villages obtaining monetary benefits. This motivation is strengthened by the knowledge that participating villages will receive strong technical support and some funding from the government.

Hamzah (2010) pointed out that of the 139 homestay programmes running in Malaysia at the time of his study in 2010, only 10 percent were doing well while
another 30 percent had stagnated, that is, a few months or a few years into the programme, there had been a drop in or lack of tourist arrivals.

This is definitely an alarming statistic considering the amount of funding allocated by the government for CBT-related projects. More precisely, in 2007 RM14.7 million was spent in developing 39 homestay sites in the whole of Malaysia. In the 9th Malaysia Plan (RMK-9), RM40 million was allocated to upgrade the infrastructure facilities of homestay programmes, and of this, RM1.5 million was allocated for upgrading houses (toilets and rooms) of homestay operators (Hamzah, 2010). The alleviation of rural poverty through economic activities such as rural tourism was again emphasized in the 10th Malaysia Plan (RMK-10), where attention was given to improve the rural infrastructure with the intention of benefitting rural tourism activities.

Ironically, despite the poor performance of many community-based tourism programmes, the number of homestay providers keeps increasing and as of Disember 2014, there are 172 registered homestays from 308 villages totaling 3519 homestay providers. This phenomenon suggests that perhaps the rural folks are disillusioned by the success of the a few homestays. In addition, it may also suggest that the agencies responsible for the development of rural tourism and homestays have seriously overlooked or overestimated the success of homestay programmes in the light of gaining political mileage especially pertaining to rural development.

The Malaysia government’s RMK10 is high on the agenda to reduce poverty in the rural area and, increase income for Bumiputera and rural poor who happen to reside mainly in the rural areas. One of the most viable ways to achieve this falls back on rural tourism that has been proven as an important tool to develop rural areas and alleviate the poor economic situation. Rural tourism in Malaysia is commonly associated with homestay, has been put on the national agenda and a large amount of funding has been pumped into this programme. Despite the impressive profits made by a few homestays, many other homestays are not able to sustain their economic gains thus facing the imminent likelihood to become irrelevant in the tourism industry.
This grave scenario of poor performance of CBT programmes requires academicians and practitioners to scrutinise how far homestay can economically contribute to the local people in order to uphold the aspiration of the government to revitalise rural economy. Ironically, time and again problems hindering homestays from developing to its fullest potential at its best capacity have been highlighted yet most of the issues are far from resolved. Cynicism aside, either this knowledge was not targeting the decision makers or the latter have their own constraints to make these changes. Hence, this study attempts to get an in-depth understanding of CBT issues and the critical factors that contribute to the success of the CBT.

In a nutshell, previous studies have discussed critical factors that contributed to the failure or success of CBT programmes particularly from the perspectives of CBT managers and experts. However, the views of the local community on what makes a CBT successful were understudied despite them being a central component of CBT. The lack of insights from the locals’ point of view as the main driver of any CBT could lead to premature interpretation of CSF and thus a mismatch with strategic planning efforts. This study will explore why and how Community Based Tourism Programme in the Malaysian context succeeds by investigating its critical success factors using Miso Walai Homestay as the context of this study.

Given the amount of funding injected by the government into homestay programmes since their inception in 1995, and given the findings by Hamzah (2010), which shows the poor monetary return received by the homestay programmes included in his study, there is an urgent need to address some important issues regarding these programmes. Ironically, factors hindering homestay programmes from developing to their fullest potential and operating at their best capacity have been highlighted through local and international research platforms, yet the issue of the poor performance of CBT is far from resolved. Instead of focusing on the factors that contribute to the failure of CBT, this study will focus on factors that contribute to the success of CBT.

In addition, there is a need for a study that focuses on the perspective of local community (Goodwin, 1998) as the main beneficiary of CBT project. However, the success of CBT has largely remained unquantified (REST, 2003; Goodwin and
Santilli, 2009; Tosun, 2001). Goodwin (2008) criticised managers of CBT projects that seemed to be concerned with conservation and wildlife rather than community benefits. These findings show that community perspective on what successful CBT means to them has to a certain extent being ignored.

Therefore, the problem statement of this study is as follows: “What are the important factors that are critical for a community-based tourism program to be successful and how can these factors improve the performance of CBT project?” Miso Walai Homestay, a successful homestay located in Sabah, Malaysia, called, is chosen to provide a contextual setting to this study.

1.4 Research Questions

Based on the research problem, some questions have been developed for this study, which are:

1. What are the factors that triggered the establishment of CBT Batu Puteh?
2. How do the local residents perceive the success of CBT Batu Puteh?
3. What are the main factors that might contribute to the success of CBT Batu Puteh?
4. Which of the agencies involved in CBT Batu Puteh most effectively assist in making it more successful?
5. What is a practical management model that can be used by local community who manages CBT?
1.5 Research Objectives

Based on the research questions, the following research objectives were established:

1. to identify the factors that triggered the establishment of CBT Batu Puteh
2. to identify the perception of local community towards CBT Batu Puteh
3. to identify the important factors that contribute to the success of CBT Batu Puteh
4. to identify which of the agencies involved in CBT Batu Puteh most effectively assist in making it more successful
5. to propose management model that that can be used by local community who manages CBT

The link between each research objective is depicted in a diagram, as shown in Figure 1.1.

Figure 1.1: The link between the research questions
Source: Researcher


1.6 Operational Definitions

The operational definitions of the key terms in this study are:

1. Critical Success Factors (CSF)
   Critical success factors are those few things that must go well to ensure success for a manager or an organization, and, therefore, they represent those managerial or enterprise area, that must be given special and continual attention to bring about high performance. CSFs include issues vital to an organization's current operating activities and to its future success.

   (Boynton and Zmud, 1984: 17)

2. Community-based Tourism (CBT)
   CBT is a form of tourism in which a significant number of local people has substantial control over, and involvement in its development and management. The major proportion of the benefits remains within the local economy. Members of the community, even those who are not directly involved in tourism enterprises, gain some form of benefits as well (e.g. community fund, multiplier effect).

   (Häusler and Strasdas 2003: 3)

1.7 Significance of the Research

The contributions of this study would be of interest to academics in varsity, decision makers, tourism planners in various ministries and industry players who are involved in CBT. Community-based tourism has been the focus of many academics but studies on CSF in Malaysia context is still limited, to which my study would be significant.
Theoretically, CBT literature has largely used Social Exchange Theory (SET) as the underpinning theory. My study contributes to this literature by considering CBT success from SET as well as Community Development Theory (CDT), and Change Theory (CT). SET is premised on partnership can be sustained when parties involved received what they expect to get from the partnership. CDT and CT strengthened SET because the former suggests that community will naturally change in terms of mind set and behaviour due to the need to survive while the later suggests that community mind set and behaviour can become permanent through 3-stage change process.

Practically, this study proposed a few measures that can be used by CBT managers including a framework containing CSF of CBT. Further discussion on these theories are presented in Chapter 2 and the contributions in Chapter 5.

1.8 Scope of the Research

Establishing the scope of the research is considered important since it provides a narrower and more manageable focus for the study. The scope of this study is confined to a few parameters that are essential and relevant to the research objectives, as is explained in the following sections.

Firstly, this research uses only one case study; a model CBT programme was selected, namely, the Miso Walai Homestay located in the Batu Puteh sub-district in the Kinabatangan district in the state of Sabah, Malaysia, which provides an appropriate contextual setting for the study.

Secondly, only one group of stakeholders, that is, the local community, was chosen as respondents. These respondents are those who were involved in the CBT programme in Batu Puteh because they were considered to have experienced the greatest number of impacts of CBT and so could adequately provide answers to the research questions. Other stakeholders, such as government agencies, NGOs, and a few travel agents, were also interviewed, but these interviews were used only to
corroborate the findings from the local community, and so they are not included in the findings of this study.

Thirdly, this study attempts to expand knowledge on the critical factors that contribute to the success of CBT. It begins by identifying the critical factors based on the literature. Then, the focus is narrowed down to the critical factors that are ‘controllable’ by the local CBT management and its community or that directly influence the development and success of CBT. Fourthly, the magnitude of the relationship of each CSF is not being quantified in depth in this study. This study is interested only in understanding and identifying the critical factors that contribute to the success of CBT and not the depth of the relationship between such factors. In addition, the CFS identified in this study are unique to the chosen case.

However, the magnitude of the relationship of each CSF is not being quantified in depth in this study. This study is interested only in understanding and identifying the critical factors that contribute to the success of CBT. The CSF identified in this study are unique to the chosen case. Nonetheless, these limitations should be used as a platform to assess other CBT in Malaysia because many of the issues and themes of CBT are very similar.

1.9 The Site of the Case Study

As mentioned previously, the chosen case study is a CBT programme located in Batu Puteh sub-district. This project is called Miso Walai Homestay but in principle this is a CBT project. Therefore, this thesis will refer to this project as CBT Batu Puteh so that the term ‘homestay’ would not distract the focus from CBT concept.

Batu Puteh is situated in the Lower Kinabatangan region in the eastern part of the state of Sabah, Malaysia. The whole Kinabatangan region, which is the largest district in Sabah, is renowned for its 560 km long Kinabatangan River, the longest river in Malaysia. Batu Puteh is in the heart of the Kinabatangan Floodplain in
Sabah. Batu Puteh covers 26,103 hectares of land that is managed by District Wildlife Office based in Kinabatangan. Batu Puteh is situated along the main motorway between Sandakan and Lahad Datu; it is 110 km from Sandakan and 75 km from Lahad Datu. Figure 1.2 shows the Kinabatangan River Basin.

![Map of Kinabatangan River Basin](http://assets.panda.org/img/original/kinabatanganmap.gif)

**Figure 1.2:** Map of Kinabatangan River Basin

Source: [http://assets.panda.org/img/original/kinabatanganmap.gif](http://assets.panda.org/img/original/kinabatanganmap.gif)

The Lower Kinabatangan region is also known as the Kinabatangan Floodplain, and it is prone to seasonal flooding. The Lower Kinabatangan is a basin that traps water when the Kinabatangan River swells during the monsoon season. Inevitably, Batu Puteh also experiences seasonal floods. Figure 1.3 shows the cross-section of the Kinabatangan Floodplain. Kinabatangan used to be a producer of high quality timber, which created the ‘timber rush’ during its heyday.
Batu Puteh is part of the Lower Kinabatangan Wildlife Sanctuary and consists of four villages, namely, Kampung Mengaris, Kampung Batu Puteh, Kampung Singgah Mata (which became part of Kampung Batu Puteh in 2010), and Kampung Perpaduan. These villages are surrounded by Supu Pin Forest Reserves. Figure 1.4 shows the location of the villages involved in the CBT programme and the Pin Supu Forest Reserve coverage.
This area is populated by local indigenous people (called “Orang Sungai” or River People), the majority of whom are of the Islamic faith. The Orang Sungai have more than 3 language groups and over 20 spoken dialects. They have inhabited the shores of the Kinabatangan River for hundreds of years, and their lifestyle is dictated by the offerings of the rivers and the forests. The majority of the locals used to be subsistence farmers and loggers, but since the 1960s, many have turned to palm oil planting and ecotourism as their main economic activities. Being a close-knit community, the majority of the Orang Sungai in Batu Puteh are related to each other by blood and interfamily marriages. At the time of the data collection, Batu Puteh sub-district had an estimated populace of 1500, half of whom were youths aged between sixteen to forty.

CBT Batu Puteh is a full fledged ecotourism site that offers wildlife-watching experiences, and it is nationally and internationally acknowledged as a model of sustainable CBT. Although wildlife viewing along the Lower Kinabatangan River can also be obtained at the neighbouring Kampung Sukau and Kampung Bilit, Batu Puteh area stands out not only because of its superb wildlife encounters, but also for its well-managed forest and lake restoration programme. These features qualify Batu Puteh as one of the best community based ecotourism sites in Borneo and Malaysia. Therefore, it was highly appropriate as the context of this study.

1.10 Structure of the Thesis

This study undertook various tasks divided into different phases. All the tasks carried out are presented in six chapters: (i) Introduction, (ii) Literature Review, (iii) Research Methodology, (iv) Findings and Analysis, and (v) Discussion and Conclusion.

i) Chapter 1 sets the framework for this study by providing an introduction and background on the study. It states the purpose of the study, the problem statement, the research gap, the research statement, the research questions,
the research objectives, the scope of the research, the research plan, the research significance, the study site, the methodology, and the chapter conclusion.

ii) **Chapter 2** discusses the literature related to CBT and CSF, which are the focus of this study. The discussion begins with the concept of CBT, along with related issues and debates. Then, the CSF concept is introduced to explain the factors that contribute to the success and failure of CBT. Past research on CSF is reviewed to determine the research gap, the respondents, the method, the underpinning theory, and the results of the past research. Then, the chapter continues with a discussion on the underpinning theories for this study. This chapter also clarifies and justifies the suitability of the concept, theory, and model chosen in this study and, finally, introduces the conceptual framework for this study.

iii) **Chapter 3** offers the underlying research philosophy and gives the justification for using a qualitative approach in this study. It explains the methodology of the study including selection of respondents, data collection methods and analysis techniques.

iv) **Chapter 4** is presented in a narrative form. It highlights and discusses the main results of the data gathered from fieldwork at the study site. It relates the research findings to and provides analysis based on the relevant theories provided in Chapter 2. This chapter then presents the results and analysis of the findings in accordance with the research objectives.

v) **Chapter 5** provides the conclusions and significance of the findings. This chapter highlights the salient points of the findings and discusses them in relation to the relevant literature and theories provided in Chapter Two to make sense of the phenomenon being studied and offers recommendations and suggestions to boost the economic performance of CBT at the study site and perhaps elsewhere. Equally importantly, this chapter underlines the theoretical, practical, and methodological contributions of the study to the existing body of knowledge in CBT. It includes a conceptual model and makes several recommendations to boost the success of CBT, as well as offering suggestions for further research that can be taken up from this study.
8. Focus on gradually **building** the **capacity** of the local people particularly village youths who can effectively contribute to the progress of the CBT initiative.

9. Groom local youths as CBT project successors and **local champions**.

10. Establish **effective** partnership and strong linkages with local and international agencies, and industry players in order to secure adequate market to ensure stable inflow of tourists.

11. Diligently maintain detailed **reports** of the CBT initiative from the very beginning such as a master plan, minutes of meetings, the community's engagement in the management, number of jobs created, and amount of economic benefits generated for research and reference purposes.

### 5.6 Conclusion

Despite of reports that pointed out the failure of CBT projects, this study based on CBT Batu Puteh experience emphasizes that CBT project can be a useful tool to significantly address economic difficulty in rural areas. However, more importantly, CBT managers must understand that the success of a CBT projects depends on the managers’ ability to identify and use critical factors at the appropriate phase in the project’s life cycle.

This concluding chapter has focused on making theoretical and practical contributions to the body of knowledge, and summarize the recommendations to improve the success of CBT project in Malaysia. The theoretical and practical contributions were identified through an analysis of the responses gathered during interviews, observation and document analysis. Then, these contributions were summarized in simpler recommendations for CBT managers. These recommendations stretch over nine CSFs ranging from iconic tourism resources to partnership with external agencies.
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