

Instrument Feasibility Study on Entrepreneurial Perspective of China's Soft Power on Tourism Diffusion in Malaysia

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Abstract

This study is on the entrepreneurial perspective and tourism diffusion in Malaysia through China's soft power approaches. China's engagement in Southeast Asia, particularly in Malaysia, will be used in this study. Malaysia has received millions of Chinese tourists from the Mainland and it is expected to rise from time to time. The slogan "Visit Malaysia Year" is hoped to lure more international visitors, particularly from China, and boost the tourism industry during post-Covid. It is good to know the outcomes that have been determined that relate to tourism perspectives. This paper seeks to examine three areas that have formed Malaysia-China geopolitical ties, including tourism strategies, outcomes, and economic impacts. The long relationship between Malaysia and China developed more than 50 years ago; thus, China has efficiently used its soft power and delivered benefits without applying coercive power. This feasibility study has gained 60 responses and the findings revealed strong internal consistency within the factors under investigation that showed the robustness of the questionnaire. The findings from Exploratory Factor Analysis (EFA) on five different factors conducted on the questionnaire, including cultural diplomacy, financial incentives, interpersonal interaction, tourism strategies, and soft power tourism adoption policy, show a strong internal consistency within each factor. This study is significant for the policymakers, industry players and researchers on the impact of China's soft power on tourism diffusion in Malaysia.

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INTRODUCTION

Looking at Malaysia and China, trade has become the focal point between the two countries (Tan, n.d.). China is known as Malaysia's largest trading partner and Malaysia appears to be the second largest partner after Vietnam. Due to the fact of this long term relationship, China has emerged its soft power in Southeast Asia in 1997 (Kurlantzick, 2006). One of the approaches in China's soft power is through tourism. With this, Cao et al. (2023) highlighted that tourism has become the second largest contributor to the economic growth of Malaysia with the inbound Chinese tourists. China is Malaysia's third largest tourist source of tourism income market. They reasoned that, over the past decade, Chinese tourists to Malaysia have increased by 200% from 0.94 million in 2008 to 2.94 million in 2018 (). In relation to this, Malaysia's total tourism revenues rose to USD 2.84 billion in 2019 which was generated by Chinese tourists.

Soft power is a vital concept from attraction and influence by a group, population, government or nations without force or coercion (Nye, 2004). Here, soft power is seen as a tactical communication among people or nations' culture and practices, its political and contemporary policies. It is interesting to explore on the notion of attractive power as beautifully explained by Nye (2004, p.5).

‘Soft power is a staple of daily democratic politics. The ability to establish preferences tends to be associated with intangible assets such as an attractive personality, culture, political values and institutions, and policies that are seen as legitimate or having moral authority. If a leader represents values that others want to follow, it will cost less to lead. Soft power is not merely the same as influence. After all, influence can also rest on the hard power of threats or payments. And soft power is more than just persuasion or the ability to move people by argument, though that is an important part of it. It is also the ability to attract, and attraction often leads to acquiescence. Simply put, in behavioral terms soft power is attractive power.’

China’s soft power has an impact on tourism that include food, culture, diversity and economic growth. Malaysia is taking the advantage to promote its country to the Chinese tourists in particular to build image, promote destination marketing and to have a good representation of the nation. The Chinese government encourages outbound tourism as a means of extending its influence abroad, often focusing on countries that align with its geopolitical interests.

The need of conducting this instrument feasibility study is to see the relevancy of China’s soft power on tourism sector in Malaysia. Entrepreneurs in the tourism industry need to understand the interplay between China's soft power initiatives that include media, entertainment, and cultural events and Malaysia’s tourism sector. This helps identify potential areas where they can invest and innovate to cater to Chinese tourists or align with China-related tourism trends. Furthermore, this instrument feasibility study would allow Malaysia’s policymakers and tourism stakeholders to identify strategic areas of cooperation and capitalize on China’s growing influence. It could also guide how soft power can be reciprocated for Malaysia’s benefit, ensuring a balanced tourism exchange.

China's Soft Power in Tourism

Soft power, a concept developed by Nye (2004), refers to the ability of a country to shape the preferences of others through appeal and attraction rather than coercion or payment. China's approach to soft power includes a mix of cultural diplomacy, media influence, educational exchanges, and strategic investments in key sectors like tourism. There are several key factors with respect to China soft power in tourism that include economic influence where the spending power of Chinese tourists has led many countries to cater specifically to their needs, which can foster a favorable perception of China in those regions. This includes offering Chinese language services, accepting Chinese payment systems, and tailoring marketing efforts to Chinese travelers.

In another note is on cultural exchange. Here, China can promote its culture, history and values. The proliferation of Confucius Institutes, which teach Chinese language and culture, often aligns with major tourism corridors, reinforcing China's cultural presence abroad. Another aspect is on diplomatic relations as China can strengthen its diplomatic ties with other countries. One of the most significant investments made by China is on Belt and Road Initiative (BRI) that can enhance and foster tourist destinations apart from trading routes. This New Silk Road is a super mega project that connects more regions and increases China’s influence and creates closer economic ties. In relation to this, Chinese media including state-sponsored outlets, often accompany tourism with narratives that promote China's image, portraying it as a peaceful, prosperous, and culturally rich nation.

China has been increasingly leveraging soft power, particularly in tourism, to expand its influence globally. Chinese tourists represent one of the largest groups of international travelers, and their preferences can have a substantial economic impact on destination countries. The Chinese government encourages outbound tourism as a means of extending its influence abroad, often focusing on countries that align with its geopolitical interests. Looking at Southeast Asia, Chinese tourists are interested in visiting Malaysia, Singapore and Thailand and in turn increase the economy of both countries (Jiang et al., 2024). However, the dependence on Chinese tourists has also made them vulnerable to shifts in Chinese foreign policy.

Expanding to Europe and Africa, Chinese tourism in Europe often involves cultural exchanges and high levels of spending, influencing how European countries engage with China diplomatically. Chinese tourism in Europe has seen significant growth over the past decade, driven by the rising middle class in China, increased travel freedom, and strong interest in European culture, history, and shopping opportunities. Europe is a top destination for Chinese tourists, who

are often drawn to iconic landmarks, luxury shopping, and unique experiences (Zeng & Go, 2013). Within this context, China's investment in African tourism infrastructure, alongside other BRI projects, has deepened economic ties and promoted China's image as a partner in development. According to Jie and Langchen (2024), the number of Chinese tourists visiting Africa has been steadily increasing, with South Africa, Kenya, and Egypt being the top destinations on the continent. In 2018, over 100,000 Chinese tourists visited South Africa alone, reflecting the broader trend of increasing Chinese interest in African destinations.

LITERATURE REVIEW

China Soft Power in Malaysia

As highlighted earlier, China has emerged as a global leader in the outbound tourism market, leading in both travel frequency and spending (Ditcher et al., 2018) and has a significant contribution to Malaysia in particular (Jiang et al., 2024). In essence, China's soft power in Malaysia has emerged as a significant aspect of bilateral relations, reflecting Beijing's broader strategy to influence global perceptions and cultivate a favourable image through cultural diplomacy, economic initiatives, and political engagement. In Malaysia, this soft power manifests through various channels, including educational exchanges, media influence, tourism, and cultural outreach, all aimed at strengthening ties between the two nations (Tien & Bing, 2021).

Through the Belt and Road Initiative (BRI) as mentioned above, China has made substantial investments in Malaysian infrastructure, including projects like the East Coast Rail Link and various port developments. These investments not only contribute to Malaysia's economic growth but also create a sense of goodwill towards China, as they are seen as contributions to the nation's development, although it has created debt dependency in Malaysia. Educational exchanges further bolster China's soft power in Malaysia. Scholarships and study opportunities in China are offered to Malaysian students, allowing them to experience Chinese society and culture firsthand. This not only builds personal connections but also creates a network of individuals who may have a favorable view of China in the future (Ahmad & Shah, 2018).

China Soft Power and Tourism in Malaysia

China's soft power strategy in Malaysia, particularly through tourism, has garnered significant attention in recent years. Kurlantzick (2007) in his paper entitled: Charm Offensive: How China's Soft Power is Transforming the World stated that by promoting tourism, China aims to present a positive image of itself and strengthen bilateral relations with countries like Malaysia. Studies highlight that Chinese tourists are drawn to Malaysia's cultural diversity, natural attractions, and the availability of Chinese-language services (Ritchie & Crouch, 2003). This influx of tourists serves as a conduit for China to project its soft power by showcasing its culture and fostering goodwill. According to a study by Lee & Huang (2016), the tourism exchange has enhanced bilateral cultural understanding and economic cooperation. This positive impact on public perception is a critical aspect of China's soft power strategy.

The economic impact of Chinese tourism in Malaysia is substantial. According to the Malaysian Tourism Promotion Board (2019), Chinese tourists are among the top spenders, which has led to increased investments in tourism infrastructure and services. This economic benefit is coupled with enhanced cultural exchanges, as Chinese cultural festivals and events are promoted in Malaysia, fostering mutual understanding (Ng & Lee, 2020). Despite the benefits, there are challenges associated with China's soft power tourism strategy. Issues such as over-dependence on Chinese tourists and cultural sensitivity have been noted (Tuzunkan & Ugur, 2018). Critics argue that while the economic benefits are significant, there are potential risks of cultural erosion and local resentment.

METHODOLOGY

The objective of this study is to evaluate the reliability and validity of a questionnaire designed to measure the entrepreneurial perspective of China's soft power on tourism diffusion in Malaysia through cultural diplomacy, financial incentives, interpersonal interaction, tourism strategies and soft power tourism adoption policy. The study employs a descriptive research design, systematically collecting, analyzing, preparing, and presenting data with regards to conceptual framework. A judgmental research has been chosen to explore the factors impacting the tourism diffusion. The survey questionnaire serves as the primary instrument, and a sample of 60 active domestic tourists who have encountered with Chinese tourists participated in a pilot test before the final analyses. Before distributing the questionnaires, a thorough validation process was undertaken to ensure the items were acceptable and easily understood by respondents. Questionnaires were distributed through Google forms from the assistance and support of several local travel agencies that have identified active domestic travellers who have interacted with Chinese tourists and to gain their knowledge and thoughts on the entrepreneurial perspectives in having those tourists in the country and also on soft power tourism.

Table 1: Questionnaire Items

Variables	Number of Items
Cultural diplomacy	6
Financial incentives	6
Interpersonal interaction	6
Tourism strategies	5
Soft power tourism adoption policy	5

RESULTS & DISCUSSIONS

This study aims to assess the reliability and validity of a questionnaire designed to measure the entrepreneurial perspective of China soft power in tourism diffusion in Malaysia. The entrepreneurial perspective includes cultural diplomacy, financial incentives, interpersonal interaction, tourism strategies and soft power tourism adoption policy. This study has collected 60 responses and it is valid as according to Saunders et al. (2009), researchers should include at least ten samples in pilot testing, while larger-scale research typically involves between one hundred and two hundred samples. Table 2 shows the insights into the demographic data and Table 3 depicts a comprehensive breakdown of the exploratory factor analysis that integrates with all of the questionnaire items. Figure 1 is on the scree plot in determining the number of factors that need to be retained.

Table 2: Demographic profile of respondents

Descriptions	Categories	Frequency (N=60)	Percentage (5)
Gender	Male	19	31.7
	Female	41	68.3
Total		60	100
Status	Citizen	55	91.7
	Permanent	1	1.7
	Residence		
	Non-Residence	4	6.7
	Citizen	55	91.7
Total		60	100
Employment	Education	35	58.3
	Technical	5	8.3
	Business	2	3.3

Medical	3	5.0
Arts	1	1.7
Hospitality	1	1.7
Manufacturing	8	13.3
Construction	1	1.7
Others	4	6.7
Total	60	100

Table 2 provides an overview of a population sample of 60 individuals across three categories: Gender, Status, and Employment. Male represents 19 individuals (31.7%) and female with 41 individuals (68.3%). The vast majority of the sample consists of citizens, accounting for 91.7%. Non-residents make up 6.7%, and only 1.7% are permanent residents. The employment distribution indicates that more than half of the individuals are engaged in the education sector (58.3%). The manufacturing sector follows with 13.3%, and the technical sector accounts for 8.3%. Other sectors such as business, medical, arts, hospitality, construction, and other unspecified fields have smaller representations. It is gathered from the data that there is a significant gender disparity with a higher percentage of females. A substantial majority of the individuals are citizens and the education sector dominates the employment distribution, followed by manufacturing and technical fields. Other sectors have minimal representation.

Table 3: Results of Exploratory Factor Analysis

Factors	Cronbach's Alpha	Number of Items
Cultural diplomacy	0.899	6
Financial incentives	0.929	6
Interpersonal interaction	0.945	6
Tourism strategies	0.926	5
Soft power tourism adoption policy	0.936	5
KMO measure of sampling adequacy		0.901
Bartlett's test of sphericity		1786.161*
*Significant at 0.000		

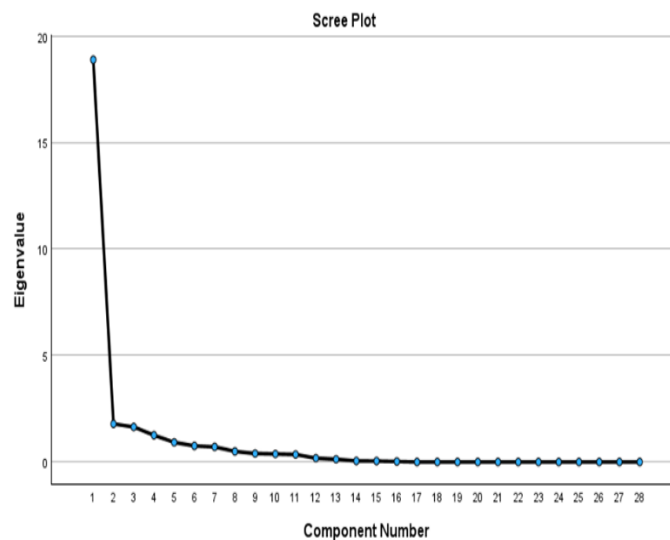


Figure 1: Scree Plot of All Items

Table 3 presents the outcomes of an Exploratory Factor Analysis (EFA) on five different factors conducted on the questionnaire that including cultural diplomacy, financial incentives, interpersonal interaction, tourism strategies and soft power tourism adoption policy. The analysis shows a strong internal consistency within each factor, as indicated by the high values of Cronbach's Alpha ranging from 0.899 to 0.936. These values suggest that the items within each factor are closely related and effectively measure the underlying constructs. Additionally, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy, with a value of 0.901, confirms the suitability of the sample for factor analysis. Furthermore, Bartlett's test of sphericity yields a significant result ($p < 0.000$), indicating that the variables are satisfactorily correlated to justify conducting the factor analysis. The output of the data reveals the robustness of the questionnaire in explaining the intended dimensions. This enhances its validity and reliability for the purpose of the study.

Figure 1 highlights a scree plot of all items. A scree plot is often used in Principal Component Analysis (PCA) or Factor Analysis to help determine the optimal number of components or factors to retain in the analysis. The "elbow" point in the plot, where the curve starts to flatten, is usually where the number of components should be retained. In this case, the elbow is around the fourth or fifth component. Components to the left of the elbow (with higher eigenvalues) explain a significant amount of variance in the data, while components to the right of the elbow explain progressively less variance and are often considered noise. Therefore, based on this scree plot, it is considered to retain five components as they capture most of the variance in the dataset.

CONCLUSIONS

In conclusion, an instrument feasibility study examining the entrepreneurial perspective of China's soft power on tourism diffusion in Malaysia is essential to enhance tourism strategies, foster business growth, and solidify diplomatic and economic ties between both countries. China's soft power, manifested through cultural diplomacy, media influence, and educational exchanges, plays a pivotal role in shaping Malaysia's tourism landscape. The study indicates that leveraging China's cultural influence can enhance Malaysia's attractiveness as a destination for Chinese tourists, thereby boosting the local tourism industry.

Entrepreneurially, there is a viable potential for Malaysian businesses to capitalize on this soft power by creating tailored experiences, services, and products that resonate with Chinese cultural values and preferences. A study done by Syed Marzuki et al. (2023) on the importance satisfaction analysis of hosting events in Hangzhou, China should be replicated in Malaysia as a form of strategy to attract more Chinese tourists to the country. Strategic partnerships with Chinese firms and government bodies could further facilitate the diffusion of tourism-related initiatives, enhancing bilateral ties and economic benefits. Overall, the feasibility of harnessing China's soft power for tourism diffusion in Malaysia is promising, provided there is a concerted effort from both public and private sectors to synergize resources, embrace cultural exchanges, and promote sustainable tourism growth.

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