

# Sustainable Fishing Village Business Model: Case Study of Kuala Pahang Malaysia

Ishak Ismail <sup>a</sup>, Hasnah Haron <sup>b</sup>, Nur Ain Zakiah Mohd Yusof <sup>c</sup>

<sup>a</sup> *Faculty of Industrial Management, Universiti Malaysia Pahang, Malaysia (Corresponding Author).*

<sup>b</sup> *Faculty of Industrial Management, Universiti Malaysia Pahang, Malaysia.*

<sup>c</sup> *Faculty of Industrial Management, Universiti Malaysia Pahang, Malaysia.*

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## Abstract

Universiti Malaysia Pahang (UMP) has been entrusted to advance the local area of Kuala Pahang as a preferred destination for fisheries-based products and seafood restaurant in Malaysia by local, domestic and foreign tourists. This research was conducted to develop and suggest the possible concept and business model for Kuala Pahang. Site visit, interviews and secondary data reviews had been conducted. Case analysis was done using Five Porter's analysis and SWOT analysis. Based on the analysis, the best business model is suggested. This project is perceived to increase the standard of living for local people through income generation opportunity while contribute for the socio-economic development of Pahang state and Malaysia as a whole. Various activities and strategies are recommended in order to develop the area where the collaboration of various parties including government agencies, tourism agencies, restaurants' owners and locals are crucial to achieve the strategy.

**Keywords:** Business Model, Fishing Village, Case Study, Kuala Pahang, Malaysia, Tourism

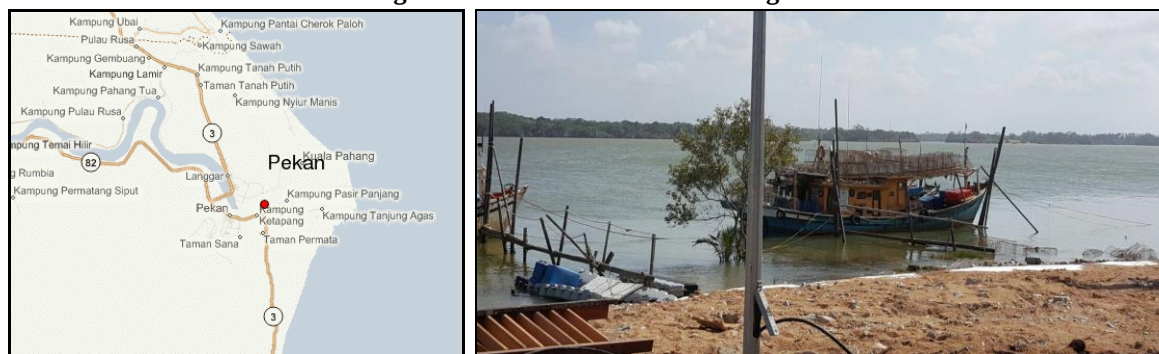
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## 1. Introduction

University Malaysia Pahang (UMP) has been entrusted by the East Coast Economic Region (ECER) Development Council to advance the local area of Kuala Pahang as a Seafood Fishing Village. Kuala Pahang is a small town in Pekan, Pahang, Malaysia located about 13 kilometres north of the town which consists of several fishing village. The prime focus for this project is to determine the concept and direction of Kuala Pahang as “a preferred destination” by local, domestic and foreign tourists. Kuala Pahang, where the Seafood Complex built, located about 15 kilometres from Pekan centre. There are 12 scattered villages under Kuala Pahang with approximately 10, 000 villagers. Kuala Pahang is an area that has a strategic geographic to perform activities of fishermen since it is the estuary area and is highly potential to be promoted as an attractive tourist spot with the existence of three popular islands in Pekan District that are Teja Island, Abib Hassan Island and Ular Island. There are lot of other areas suitable to be developed as tourist attraction for its beautiful coastal scenery and small islands surrounded it. Kuala Pahang, Pekan is supposed to be a perfect place as tourism spot because of the vast sea area and beautiful view of seaside area as shown in Figure 1.

**Figure 1: Location of Kuala Pahang**



In terms of administration, Kuala Pahang is under purview of Pekan Land and District Office (LDO). LDO Pekan is regulating the affairs of the local socio-economic development where they plan, administer and manage the local authorities in the area as well as execute the development projects and services for the local residence. LDO Pekan manages and authorizes the applications of budget allocation for small development projects at district level. LDO Pekan is also responsible to handle overall administrative districts which is headed by a Penghulu Mukim and is assisted by the headmen and members of the Village Development and Security Committee (JKKK).

For any business activities, Pekan District Council (PDC) is the local authority that regulates the licensing, provision and maintenance of public infrastructure in Kuala Pahang. PDC executes its functions under Local Government Act 1976 (Act 171) which allows PDC to implement activities as well as enforce policies and regulations related to the affairs of the Local Authorities. There are also Rural Transformation Centre (RTC) Kuala Pahang under purview of Ministry of Rural and Regional Development and Kuala Pahang Fisheries Complex under purview of Fisheries Development Authority of Malaysia (LKIM) which contribute in the socio-development of Kuala Pahang area.

Despite various parties responsible to develop Kuala Pahang area, it is found that the area development is still at lower stage and there are lack of visitors to Kuala Pahang. This may be a hindrance that will prevent the development and successfulness rate of Kuala Pahang Seafood Complex. Therefore, this research is undertaken to create sustainable business model for Kuala Pahang Seafood Complex as a “one stop center” and preferred destination for local and international tourists. Several questions are addressed in this research that are:

- (i) What is the demographic profile of Kuala Pahang?
- (ii) What are the crucial elements required for successful business model for Kuala Pahang Seafood Complex?
- (iii) What are the other recommendations to ensure the successfulness of Kuala Pahang Seafood Complex?
- (iv) What is the best business model to be adopted by Kuala Pahang Seafood Complex?

The East Coast Economic Region Development Council (ECERDC) is a statutory body established to lead the socio-economic development of the East Coast Economic Region (ECER). The ECER of Malaysia covers Kelantan, Terengganu, Pahang and the district of Mersing in Johor. It occupies an area of 66,000 sq km or 51% of the total area of Peninsular Malaysia. The ECER Master Plan, approved by the Government in 2008, was formulated as a basis to guide the development of ECER until 2020. It identifies projects and programmes to reduce regional socio-economic disparities, eradicate poverty and improve income and wealth distribution in a sustainable manner (East Coast Economic Region [ECER] Website, 2016).

Pekan is one of the targeted area under Node 1 for ECER Special Economic Zone (ECER SEZ). ECER SEZ is being developed in line with the objective of achieving concentrated decentralization. It is envisioned to be the key engine of economic growth in ECER and serves as the growth center where liveability will be elevated to world class standards through improvements in infrastructure, public transport and logistics. The integrated development approach consists of commercial, residential, education, industries, service and knowledge components that are closely interlinked. ECER SEZ accounts for 80% of the Region’s economic output and 45% of job opportunities i.e. approximately 90,000 by 2020 (ECER Website, 2016).

ECER projects and programmes are planned and implemented with the view to improving the livelihood of the local people and increasing their income in a sustainable manner. They are provided opportunities to serve as out growers or satellite farmers to anchor companies in the crops, livestock and fisheries sectors. Pekan is one of the area anticipated in ECER as agropolitan projects along with South Kelantan and Besut-Setiu Terengganu which will operate agro-based projects on a commercial scale. This agropolitan programme is a poverty eradication initiative based on the agriculture platform, under which where hardcore poor participants are resettled and employed in agriculture plantation and the livestock industry. Housewives are encouraged to work in secondary economic activities while the school-going children of the participants are given opportunities to attend motivational classes and tuition classes to improve their academic grades. Runchang, Batu 8 Lepar and Tanjung Batu, Pekan have been selected for this program (ECER Website, 2016).

Under ECER also, another Empower program has been conducted in 27 areas which include Kuala Pahang. Empower ECER adopts a rural community and development approach to reach students and adults such as unemployed, underemployed, single parents and aspiring youths to make them a vital force in ECER's transformation. The objective of empower ECER is to tap the potential of disadvantaged individuals to ensure that they have the mindset and skill set to seize opportunities in the growing economy of ECER. There are two types of program provided under Empower ECER that are academic training program and skills and entrepreneurship training program. UMP has been directly involved as one of the responsible institute to provide such training opportunities since 2012 (ECER Website, 2016). On the other hand, High Impact Aquaculture Project (HIP) aimed at developing the Aquaculture Industrial Zone (ZIA) by identifying suitable land and waters to be developed into a commercial-scaled aquaculture project has been carried out by Fisheries Development Authority of Malaysia (LKIM). Until 2013, 44 Fishermen's Associations (PN) ventured into aquaculture as an economic project which involved National Fisherman Association (NEKMAT), State Associations and Area Fishermen's Associations which include Aquaculture Park LKIM Badong, Pahang. Fishermen's Association aquaculture project include the fish cage farming, fish tank farming, fish nursery in the tank and prawn farming. Poverty Eradication Project (SUKRAN) is also executed by LKIM which provide a profit distribution scheme to the poor via aquaculture projects. The project is carried out commercially to ensure profitability and distribution to participants. Kuala Pahang is one of the project location besides Naka, Kedah; Tok Bali, Pasir Putih, Kelantan; and Pagoh, Johor (Fisheries Development Authority of Malaysia [LKIM] Website, 2016). It is highly anticipated that through the development initiatives by ECERDC and LKIM with fully support by Local Authorities and Pahang Tourism, Pekan, specifically Kuala Pahang area will be successfully developed to be attractive tourist spot.

## **2. Literature Review**

Fisheries and aquaculture remain important sources of food, nutrition, income and livelihoods for hundreds of millions of people around the world. World per capita fish supply reached a new record high of 20 kg in 2014, thanks to vigorous growth in aquaculture, which now provides half of all fish for human consumption, and to a slight improvement in the state of certain fish stocks due to improved fisheries management. Moreover, fish continues to be one of the most-traded food commodities worldwide with more than half of fish exports by value originating in developing countries. Recent reports by high-level experts, international organizations, industry and civil society representatives all highlight the tremendous potential of the oceans and inland waters now, and even more so in the future, to contribute significantly to food security and adequate nutrition for a global population expected to reach 9.7 billion by 2050 (Ababouch et al., 2016).

Report of Malaysia Retail Foods 2016 by USDA Foreign Agricultural Service (Wahab & Dong, 2016) mentioned that Malaysia is one of the more affluent nations in Asia with a GDP per-capita of US\$ 10,000 in 2015. The economy grew 5 percent in 2015, higher than expected due to strong domestic demand. Moderate growth of 4-4.6 percent continues in 2016 despite the uncertainty globally, fiscal consolidation and cheaper oil prices. Malaysia has a young population with almost 70 percent in the 15-64 year age range. Some 97 percent of the working population continues to be gainfully employed. About half of the population is in the middle to high income group with growing purchasing power. Lifestyles are

becoming more sophisticated and modern, leading to increasing consumption of imported food and beverages from western countries.

In the same report, it is quoted that with a Muslim population of 60 percent, the demand for halal foods by Malaysian consumers has increased over the years. The Malaysian government and many companies are marketing the halal standards as a new benchmark for quality, hygiene and safety. Food products and ingredients that have halal certificates are perceived to have added marketing value in Malaysia. Hence, most retailers, foodservice operators and food manufacturers are inclined to ask for halal certificates for non-meat based food products and ingredients. The Malaysian food and beverage retail market is expected to grow by around 10 percent per annum. Malaysian households spend around 24 percent of their household income on the purchase of food and beverage on average. Consumption of fish and seafood is expected to grow in line with growth in overall disposable household income. Aquaculture is becoming economically more important as a way of increasing local fish production for food security. However, production is still very small when compared to capture fisheries: it contributes less than 0.2 percent to GDP. The bulk of Malaysia's imports are food ingredients, rather than retail packed products because Malaysia has a large and strong processed food and drinks industry that supplies both the local market and export markets in Asia and the Middle East. The main imports are unprocessed cereals, edible oils, cocoa and its products, sugar and its products and fish and seafood (Wahab & Dong, 2016).

The global financial crisis has slowed income growth, leading consumers to shift towards cheaper private label products. The selection of private label products in Malaysia's major supermarket chains is growing. Compared to other countries only a small proportion of processed food consumption in Malaysia is private label products, suggesting significant scope for growth. The increasing market share of supermarkets and a growing private label range within those supermarkets suggests private label sales will increase rapidly. Besides that, urbanization, rising incomes and longer working hours are driving greater demand for convenience and ready-made packaged foods. There is a growing prevalence of conveniently packaged food products designed for consumption both at and away from home. Moreover, demand for convenient and healthy food products including those safe for people with diabetes is expected to continue to grow. The health properties of food are an increasingly important factor among a rising population of health conscious Malaysian consumers. More food products are being developed and marketed to target health conscious consumers. There will be a greater selection of healthy food such as products with low salt, fat and artificial additives. Marketing and labelling will emphasize these factors as a selling point (New Zealand Trade and Enterprise, 2012).

In article released by New Zealand Trade and Enterprise (2012), Malaysia has the largest daily intake of fish and seafood consumption per capita within the ASEAN group of countries, with around one third of this being imported product. Fish and seafood sales have increased at modern retailers for younger shoppers, though wet markets still dominate (New Zealand Trade and Enterprise, 2012). Article released by The Star Online dated 19 June 2014 stated that Malaysians are among the world's top fish consumers, eating at least 56.5 kg of fish per person each year; way above the world average of below 20 kg per capita and even slightly ahead of Japan. It is also quoted that the first Malaysia's comprehensive "Fish Supply-Demand Study" released by Infofish found that Malaysians were increasingly buying imported and more expensive "high-value fishery products" such as cod, salmon, mussels, oysters and abalone, pushing up the price of Malaysia's fish imports. On average, Malaysian households spend about RM 100 a month to buy a variety of fish for home preparation, with mackerel, squid and shrimp the most popular

varieties. According to the same survey, 56% of consumers prefer to buy fish from traditional wet markets or pasar tani, citing higher quality and lower price as the top two reasons. Almost half the respondents said they spent an average of RM 20 to RM 50 on fish during every shopping trip, while 23% said they spent less than RM 25. Mackerel is the most popular fish among Malaysians, followed by squid, Asian seabass, grouper and shrimp. For Chinese consumers, salmon is the most preferred species, followed by grouper. Among the freshwater species, freshwater prawn (*udang galah*) is the most preferred among Malay consumers while tilapia is popular among Chinese and Indian consumers. However, the demand for fish in Malaysia, according to the survey, is expected to be almost stagnant or grow at a slower pace in the future, in line with population growth (Aruna, 2014).

In another survey conducted by Ken Research (2016), the fish and seafood market in Malaysia is forecast to register high growth during 2015-2020. Malaysian consumers prefer fresh fish and seafood products. However, with growing interest in healthier food habits, manufacturers and suppliers are focusing more on the health aspects such as rich in protein, low in fat, and a natural source of Omega-3. Products with a halal certification stamp on their labels are seen as more trustworthy or viewed as a genuine product in Malaysia and offers fresh growth opportunities in an otherwise less differentiated fish and seafood market. Fish and seafood market accounted for more than two-fifth share in the overall food retail sales in Malaysia. Among the six categories analysed, frozen fish and seafood will be the fastest growing value category, registering a compound annual growth rate (CAGR) of 8.5% during 2015-2020. Buying behaviour of consumers is inclined toward value for money and innovative products (Ken Research, 2016).

On the other hand, Fishing Village Tourism Concept, as cited by Jun, Lee, and Lee (2014), was first introduced by S. Kim of Korea Maritime Institute in 2001. However, the concept of fishing village tourism has not yet clearly been defined, and fishing village tourism is often confused with marine tourism, coastal tourism, or island tourism. Also, tide-lands, which constitute a part of fishing village tourism, is often confused as part of ecological tourism. Fishing village tourism may be defined to mean the activities to revitalize local fishing villages through the promotion of interchanges between city residents and fishing village residents by utilizing the accommodations operated by a fisherman's family, as well as the various tourism resources, such as the life, culture, and natural resources of fishing villages. The scope of fishing village tourism can be summarized as follows:

First, fishing village tourism shall be the tourism activities that can be conducted at fishing villages. Sea bathing cannot be included as part of the scope of fishing village tourism unless done at the bathing beach in a fishing village. In some cases, marine sports, such as yachting and windsurfing, may not be included as part of fishing village tourism depending on locations. But from the perspective of this first point, it may be appropriate to include some marine sports activities as part of the scope of fishing village tourism by positioning fishing village tourism as a subordinate concept of marine tourism. Second, fishing village tourism shall be tourism activities that can be linked to a substantial portion of a fisherman's income. This is the reason fishing village tourism heavily emphasizes the policy initiative to provide income sources outside fisheries to fishermen. Third, fishing village tourism shall be the tourism activities that are directly or indirectly linked to fishery activities in fishing villages and by fishermen. These activities include using part of fishery activities as tourism (in case of experience-type tourism), using fishing boats for use by fishermen, utilization of fishing ports and the surface of seawater and use of facilities operated by fishermen such as accommodation and eateries (Jun et al., 2014).

With all these things considered, fishing village tourism can be defined to mean all the activities related to tourism, leisure, and sports utilizing those resources that would exist in the coastal and ocean space in a fishing village such as the sea, small islands and beaches. In terms of the resources for fishing village tourism, natural resources include bathing beaches, tidelands, habitats for migratory birds, and fishing spots. Fishing village tourism is mainly conducted by fishermen. As the fishermen are still engaged in fishing as their main business, fishing village tourism has various advantages, such as these fishermen having strong attachments to and relevant knowledge about local areas. On the other hand, it has its limitations because the fishermen cannot acquire the level of expertise about tourism that tourism operators usually have (Jun et al., 2014).

As fishing village tourism is operated by fishermen by utilizing mainly local resources, the business scale and invested capital tend to be small. Smallness is one of the limitations inherent in this type of tourism operation. However, fishing village tourism has the advantage of being able to generate substantial results if properly operated by taking the best advantage of geographical conditions. Fishing village tourism starts from a pure fishing village, evolves into fishing village tourism equipped with various recreational facilities, and then further develops into a touristy fishing village (Kim et al., 2001; Kim, 2007). In terms of the spatial structure of fishing village tourism, natural resources, such as the hinterlands, beaches, and seas can be utilized in combination. In terms of the time structure, seasonally unique fishing and other natural phenomena can be utilized as tourism resources as cited in (Jun et al., 2014). A fishing village is a village, usually located near a fishing ground, with an economy based on catching fish and harvesting seafood. The village needs to provide a safe way of landing fish and securing boats when they are not in use. Fishing villages may operate from a beach, particularly around lakes. Village fishing boats are usually characteristic of the stretch of coast along which they operate. Traditional fishing boats evolve over time to meet the local conditions, such as the materials available locally for boat building, the type of sea conditions the boats will encounter, and the demands of the local fisheries (Ambience, 2016).

Some villages move out onto the water itself, such as the floating fishing villages of Ha Long Bay in Vietnam, the stilt houses of Tai O built over tidal flats near Hong Kong, and the kelong found in waters off Malaysia, the Philippines and Indonesia. Other fishing villages are built on floating islands, such as the Phumdi on Loktak Lake in India, and the Uros on Lake Titicaca which borders Peru and Bolivia. Until the 19th century, some villagers supplemented their incomes with taking valuables from nearby shipwrecks and smuggling. Some traditional fishing villages persist in ways that have changed little from earlier times. In more developed countries, traditional fishing villages are changing due to socioeconomic factors like industrial fishing and urbanization. Over time, some fishing villages outgrow their original function as artisanal fishing villages. In recent times, fishing villages have been increasingly targeted for tourist and leisure enterprises. Recreational fishing and leisure boat pursuits can be big business these days, and traditional fishing villages are often well positioned to take advantage of this. For example, Destin on the coast of Florida, has evolved from an artisanal fishing village into a seaside resort dedicated to tourism with a large fishing fleet of recreational charter boats. The tourist appeal of fishing villages has become so big that the Korean government purposely building 48 fishing villages for their tourist drawing power. In 2004, China reported it had 8,048 fishing villages (Revolv, 2016). The following literature presents some of the well-known fishing village worldwide and Malaysian fishing village and seafood restaurant concept.

On Nova Scotia's eastern coast near Halifax, Lunenburg is a colorful sample of maritime life in Canada. Well-preserved 18th-century British-Colonial-style buildings, part of a UNESCO World Heritage site, sit close together in a community originally designed around the offshore Atlantic fishery. Old salts works as a big fleet of deep-sea trawlers, and one of North America's largest fish processing plants is based here. Walking the waterfront, visitors can see tradespeople building boats at the Fisheries Museum of the Atlantic, hear live maritime fiddle music floating from seafood restaurants, and tour the iconic Bluenose II schooner that appears on the tail side of the Canadian dime. Lobsters and scallops are popular catch at Lunenburg. Downtown's Salt Shaker Deli is known for smoked seafood chowder and fresh mussels in eight different flavors. A favorite for lobster is the Old Fish Factory, housed in a former fish processing plant on the waterfront (Satellite Sports Network, 2016).

In Newport's historical Bayfront, forklifts constantly move loads of fresh seafood. Crab pots sit in stacks on docks, and marine supply stores are steps away from Oregon's largest commercial fishing fleet. Here, local fishermen keep the seafood processing companies working around the clock. Famous catch are Dungeness crab, shrimp, albacore tuna. Fishermen netted more than 7 million pounds of Dungeness crab and 14 million pounds of Pacific pink shrimp. In this historical working port, trendy restaurants and shops sit alongside well-worn fisherman hangouts. The sound of barking sea lions fills the air in summer. Visitors also able to enjoy the exquisite view of two light houses (Satellite Sports Network, 2016).

Stonington, Deer Isle, Maine is famous for its lobster, crabs, scallops and shrimp. Almost 90 percent of all American lobster is trapped in Maine. And the majority of those tasty crustaceans meet their doom on the 300+ lobster boats in Stonington and Deer Isle. The town is the state leader in pounds and dollar value of lobster landings. Although lobstering is the economic mainstay, the boats and picturesque harbor inspire the artists who live here and work at the popular Haystack Mountain School of Crafts. Their studio galleries dot the island. Self-guided tour, go antiquing, or see live theater in Stonington's 100-year-old Opera House are among the many sights that give this small downtown a back-in-time look and feel (Satellite Sports Network, 2016).

Kodiak Archipelago, Kodiak Island, Alaska located about 400 miles south of Anchorage, is consistently one of the top three in the U.S. for volume and value of fish hauled in. In Kodiak, one in three jobs is related to commercial fishing. The best place to hear big-fish stories is at Harborside Coffee & Goods, often a crew's first stop after a day's work. Kodiak's fishing history can be traced at the Alutiiq Museum and the Russian Baranov Museum downtown. Two-thirds of the island is protected in the Kodiak National Wildlife Refuge, where visitors can also take a tour to see Kodiak bears (Satellite Sports Network, 2016).

Bayou La Batre, Alabama is known for the shooting location of *Forrest Gump* or the History Channel's *Big Shrimpin'* reality series. The closest hotel is across the bridge on the touristy Dauphin Island. Bayou La Batre is as authentic as it gets. Instead of shops and upscale restaurants, the waterfront is lined with shrimp boats by the hundreds, processing plants, and oyster shells piled in 100-foot heaps. Fishing is back in full swing since recovering from the BP oil spill. Shipbuilding is also big business here. The *Black Pearl*, of Disney's *Pirates of the Caribbean*, was built and launched in Bayou La Batre (Satellite Sports Network, 2016).

Menemsha, Chilmark, Martha's Vineyard, Massachusetts is a photogenic fishing village claimed for the most dramatic sunsets on Martha's Vineyard. Eating a takeout seafood dinner on the beach while watching the sunset is a Menemsha tradition. By day, visitors can see the draggers work their massive nets and the lobstermen land their catches. There are a few places to buy off-the-boat seafood at the dock. Visitor can call in the morning to order a takeout lobster dinner, cooked and precracked, at Larsen's Fish Market. For the less prepared, there's The Bite, a small clam shack en route to the beach, where visitors line up at the window for New England quahog chowder and fried clams (Satellite Sports Network, 2016). Aberdeen Fishing Village is located not far from the city of Hong Kong. The fishermen and their families still live (at least for some 9 months of the year) on various kind of old-fashioned junks and sampans to modern boats and yachts complete with mobile phones and satellite dishes. Aberdeen Fishing Village and the Aberdeen Harbour are a feast for photographers providing a sense for what things were like long ago and how modern life is catching up to the old traditions. The Aberdeen Promenade that runs along the coast has been newly renovated, where visitors can find bathroom facilities, vending machines, and nice areas to linger around. Dried Seafood Stalls and Seafood Market with the daily catch, seafood restaurants and wholesalers can be found along promenade. There are also ferries to the Floating Restaurants and sightseeing sampans (Hong Kong Traveller, 2016).

Lake Kawaguchi Bass Fishing, Japan is popular worldwide as a prime fishing fish competition that presented Japan as a tourism place. Currently, the only areas where stocking of these fish has been allowed in Japan are Lake Kawaguchi, Lake Yamanaka, and Lake Sai in Yamanashi Prefecture and Lake Ashino in Kanagawa Prefecture. Among these lakes, Lake Kawaguchi is particularly famous nationwide as a bass fishing hot-spot, and the lush rainbow trout stocking brings in numerous fishers every day. The area is home to a plentiful array of boat rentals and fishing equipment shops, making it easy to enjoy fishing even if you drop by without any equipment. They also charge Recreational fishing fee 1,500 yen for one day. Other than fishing activities, there is fire cracker festival conducted at Lake Kawaguchi. This event is stated as annual summer festivals of the Fujigoko area as a ritual believed to purify and wash away all the evil spirit. They also let out several hundred lanterns to float in small boats over the lake. The main ceremony is preceded by over 5,000 fireworks. Besides that, fruit picking activity is also organized around Kawaguchi Lake which provides the family or tourist to enjoy their visiting time. They can pick either strawberry or blueberry. For strawberry the harvest time from January until May and for blueberry is from June until August (Japan National Tourism Organization, 2016)

The Ministry of Maritime Affairs and Fisheries South Korea announced a 470 billion won budget plan for the development of a total of twenty-four model-fishing villages by 2009. There are three types of fishing village concepts introduced i.e. Type-I villages (fishing villages + fishing ports), Type-II villages (multi-functional fishing ports) and Type-III villages (fishing village tourist complexes). Types are developed according to their characteristics as beaches and places of scenic beauty. The West Sea coast is developed as places for rest and cultural experiences as well as places where visitors can have a first-hand experience of life in fishing villages. Development on the South Sea coast on the other hand is focused on offshore sightseeing as well as on a first-hand experience of life in fishing villages. Basic plans is established by consulting with local residents about proposed projects in order to help them enhance their income. The selection of sites was made in consultation with experts and relevant local administrative units in consideration of social and economic conditions, on-the-spot surveys and development potential.

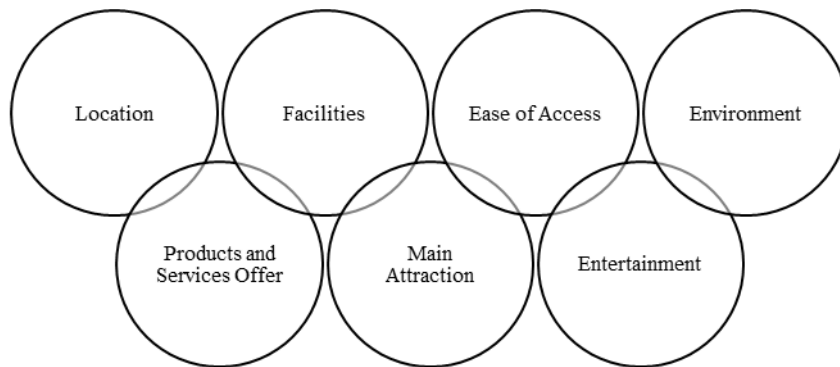
The tourism/leisure corporate city is proposed to accommodate a marine sports facility, golf course, senior citizens nursing home, hospital, hotel and residential complex (Korea Tourism Organization, 2016). Bali blends spectacular mountain scenery and beautiful beaches with warm and friendly people, a vibrant culture and out of this world resorts. Also known as the Land of the Gods, Bali appeals through its sheer natural beauty of looming volcanoes and lush terraced rice fields that exude peace and serenity. Bali enchants with its dramatic dances and colorful ceremonies, its arts and crafts, to its luxurious beach resorts and exciting night life. For this exotic island has much to offer, from inspirational spirituality to fine dining and meeting experiences, from world class surfing and diving to exhilarating treks in the wild. And everywhere you will find intricately carved temples. After decades of popularity, Bali continues to amaze both local and international visitors alike. Many beautiful resorts offer fine lodgings. Most of the starred hotels are located near the beach. Otherwise, they usually have their own private spots at certain beaches. Bali's white beaches are favourite for family holidays. There are a variety of water sports available, such as surf, banana boats, parasailing or jet skiing, swimming or plain sunbathing. Cruises to the surrounding islands can be taken from here as well as submarine dives to watch the tropical underwater life from within safe compartments (Bali Tourism Board, 2016).

Bali also offers first class adrenaline pumping white water rafting down the spectacular Ayung River by Ubud and bungy-jumping from a cliff down to almost touch the river. Ubud and its surrounding is a wonderful town to bike around. Mountain climbers may want to climb up Gunung Agung. For serious trekking, visitors can head for the Bali Barat National Park at the western part of the island. Another interesting eco-tour is a trip through the Mangrove forests via elevated wooden boardwalks located near Benoa Harbour at Suwung Kau, some 21 km. south of Denpasar. In Bali, dance and dramas are an inseparable part of daily temple devotion and celebrations, and many are held sacred. Each village has a different date of festivities, and a visitor may therefore, accidentally watch dance performances that are not staged for tourists. However, Bali villages do offer cultural performances catering to tourists. Bali also produces great artists and artisans, where creativity exudes from every village. Painters, woodcarvers and dancers are experts, with artistic traditions handed down from generation to generation. Bali today has become the leader of Spas in South East Asia. Almost all de-luxe hotels offer unique top class Spa facilities where guests enjoy luxurious treatment and pampering, for which Indonesia is so justly famous. Here visitors will be spoilt with aromatherapy massages, herbal wraps and scrubs with essential oils, foot reflexology, detoxification, from highly respected traditional treatments compartments (Bali Tourism Board, 2016).

In Malaysia, there are two concepts of local seafood restaurant that have been identified i.e. full meal concept and snack concept. The operational hour is also depending of these two concepts. The similarity that both concept has is the target market which is families and public. Ana Ikan Bakar Restaurant Kuantan and Alor Akar Seafood Restaurant for example, start their operation at six pm until late night. Various menus are served from Malay, Thai and Chinese style. They also provide takeout service, parking lot, orders and waiters/waitresses. In Terengganu, the famous seafood restaurant, Warung Pok Nong serves the snack concept with various menus of seafood-flour-dipping including fish, prawns and squid. It operates from 3:30 pm to 7 pm with self-services concept where the customers queue up and choose their own preferences of food. The specialty of this shop is the fresh raw materials used and special spicy sauce. In other states such as Malacca, Sabah and Sarawak, the cheap price, surrounding

beach location and facilities provided are among the attractive factors that maximize the customers. Children and special disability person-friendly environment also helps to attract the customers. From the literature reviews, there are several themes shared by these successful fishing villages and seafood restaurants. These elements included location, product and services offer, facilities, main attraction, ease of access, entertainment and environment which are as shown in Figure 2.

**Figure 2: Elements for successful business model of Kuala Pahang Seafood Complex**



## 2. Methodology

This research is a case study method where the primary data collected in this study is obtained through interviews and focus group discussions. Relevant documents are also revised in order to obtain more information especially for the history and development of Kuala Pahang as well as finding in depth information and data on research background through desk-study. Case analysis was done using Five Porter's Analysis and SWOT analysis. The sustainable business model was presented using the Business Model Canvas.

## 3. Results and Discussion

From the site visit, surveys and interviews with local villagers, it is found that most of them, especially fishermen families, do not have fixed income. This is because of the monsoon season and small target market. Usually the father or the elder son will set out to catch fish at the sea. They will sell them to fishmongers, restaurant owners or individuals (mostly housewives who then make extra income by making and selling processed sea products i.e. keropok lekor, fish crackers, sata and etc.). On the other hand, the youth generation are assisting their families in this activities and seemed to be contented with their life status. The youth are more interested to spend their leisure time by playing sports such as football without much passion in expanding their families' small business. The headmen mentioned their concerns on finding ways to improve the standard of living and development of community in Kuala Pahang.

Kuala Pahang is a strategic area that can attract the attention of visitors. Basic facilities such as mosques, public toilets, and so on are available in Kuala Pahang. Several interviews session with various stakeholders had been conducted to gain depth insights of Kuala Pahang development plan and current condition. From the meeting with the Chairman, board members and executives of Pahang Tourism and

Cultural Affairs, it is found that current tourist package offers one to two days trip. Usually the tourists opt for one day trip only consist of visiting museum, weaving centre and Orang Asli community. During visit, tourists would love to see Pahang's culture such as dance, traditional foods and handicraft. Year 2017 is the year of visit Pahang. This will be a great opportunity to promote Kuala Pahang to the tourists either local or international.

However, Kuala Pahang is located in remote area with limited access. The road light along Kuala Pahang area is also very less which caused safety issues and provides bad impression. In addition, Kuala Pahang also faces social problems caused by unemployed young people. The cleanliness and hygiene of the area is also a big concern. There is not enough budget allocation to develop the area unless the small medium enterprise owners are willing to do themselves. Several initiatives to develop Kuala Pahang are facing failure such as Lagenda Golf Club, Serambi Pekan, Angkasa Hotel and RTC. This may be due to small population in Kuala Pahang. Despite this, Pahang Tourism provides positive feedback and is willing to support on the initiatives of promoting Kuala Pahang Seafood Complex.

In another meeting with head of villagers, teachers and youth representatives of Kuala Pahang, they agreed that this project will give lot of benefits to the local residents. This is because mostly villagers, especially fishermen families, are doing small business from their house which is not a stable income. Thus, from the development of Kuala Pahang Seafood Complex, it is believed that more business and job opportunities are created. The residents are willing to support and promote this project because they believe that this is for their own good. They also positively stated that Kuala Pahang can be a nice tourism spot because of its uniqueness. Kuala Pahang is exactly located in the fishing village and visitors can see themselves how the fishermen work as well as trying various seafood products including special fish pancake or "lempeng ikan". Kuala Pahang still maintained by its original silhouette with a lot of trees and old jetty that people used.

Youth representatives also gave a positive feedback saying that they are willing to support the project especially for cultural performances. Kuala Pahang has traditional culture like "Dikir Bana" which can be used to attract people to come to Kuala Pahang. Unfortunately, they are lacking of performance equipment such as "kompany" as well as no proper stage to have the cultural performance. Since the establishment of UMP Pekan Campus, residents especially the youth, prefer to work with the university at various job position and level. The youth are not really interested in doing small family business. These small family businesses also face difficulties because the grown up adults and elders running the business activities are lacking in marketing and entrepreneurship skills. Seller should know the new way to promote their product which will help them to expand the business. This might affect the successfulness rate of Kuala Pahang Seafood Complex.

This is because, from the site visit conducted at the surrounding area as well as information obtained from the researchers' experience and other resources both online and offline approach, there are lot of competitors in this line of business. They offer varieties of signature dishes with various kind of fusion including Thai dishes, Chinese cuisines and so on at affordable price while ensuring their freshness, quality and very efficient services. They also offer other complimentary elements that help to attract customers and visitors such as wide parking lot, Wi-Fi services, prayer room, and strategic location such as facing the beautiful seaside view. From the findings obtained, further case analysis using Porter's Five Forces, Fishbone Analysis and SWOT analysis are conducted.

*Porter's Five Forces Analysis.* The five elements analyzed in Porter's five forces are rivalry among competitors, potential entry of new competitors, potential threats from substitute products, bargaining power of suppliers and bargaining power of buyers.

*Rivalry among Competitors.* There are many seafood restaurants and business owners who offered the seafood based products in Kuala Pahang area as well as in other states in Malaysia including Terengganu, Perlis and Sabah. Due to high competitiveness, the restaurant and business owners also provides other value added services and products.

*Potential Entry of New Competitors.* There is no government policy limitation for opening new business and restaurant in Malaysia, thus, everyone has the opportunity to open and start their business in this field after fulfilling all the requirement such as the health certificate for chef and so on. Even though to open up a big complex may have entry barrier such as high initial setup cost, but, there are lot of options provided by both public and private firms for loan and joint venture program of young entrepreneurs.

*Potential Threats from Substitute Products.* Most restaurants and food products business owners face similar threats regarding the substitute products. This is because there are lots of substitute products other than fish and seafood based. These include dairy and farm products, fast food restaurants products, processed food and so on.

*Bargaining Power of Suppliers.* On the other hand, Kuala Pahang Seafood Complex may face issue with its supplier. This is because the fishermen in Kuala Pahang area may have the option to sell their caught fish and seafood to other fishmongers or restaurant owners. Besides, they may suffer supplies issue due to the nature of monsoon season and uncertainty weather condition.

*Bargaining Power of Buyers.* With the advancement of information technology, for instance, customers would be able to get information of seafood restaurants and seafood based products through internet with ease. Famous restaurants and business owners nowadays have their own websites or social network pages such as Facebook, Instagram and so on. This gives option to the customers i.e. they have the power and the right to choose whatever they like.

The overall strength, weaknesses, opportunities and threats of Kuala Pahang are summarized in following Table 1.

**Table 1: SWOT Analysis**

| <b>Strengths</b>                                                                                                                                                                                                          | <b>Weaknesses</b>                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic area                                                                                                                                                                                                            | Area too remote                                                                                                                                         |
| <ul style="list-style-type: none"> <li>- Easy supplies of fresh seafood products</li> <li>- Quiet place for recreational and relaxation purpose</li> <li>- Still retains a traditional fishing village concept</li> </ul> | <ul style="list-style-type: none"> <li>- Limited public access</li> <li>- Less development</li> </ul>                                                   |
| Existing of basic public facilities and amenities such as mosque and toilet.                                                                                                                                              | Lack of equipment, other facilities and attractive spot                                                                                                 |
| Positive and strong support from local residents                                                                                                                                                                          | <ul style="list-style-type: none"> <li>- Dangerous during night time</li> <li>- No signage</li> <li>- Unable to perform cultural performance</li> </ul> |
|                                                                                                                                                                                                                           | Facing social problem                                                                                                                                   |
|                                                                                                                                                                                                                           | Residents lack of knowledge and skills of business, marketing and entrepreneurship.                                                                     |
| <b>Opportunities</b>                                                                                                                                                                                                      | <b>Threats</b>                                                                                                                                          |
| Pekan is one of key development area under ECER                                                                                                                                                                           | Existing other attractive fishing village tourism and local seafood restaurants such as Cherating, Beserah, and so on.                                  |
| Kuala Pahang is one of the project areas to be supported under LKIM                                                                                                                                                       | Monsoon season                                                                                                                                          |
| Demand for fish and seafood products especially local Malaysians are high                                                                                                                                                 | Limited budget allocation to develop the area                                                                                                           |
| Support from local authorities and Pahang Tourism                                                                                                                                                                         |                                                                                                                                                         |

*Strengths.* Kuala Pahang is located in a strategic area with the seaside view. Kuala Pahang still retains a traditional fishing village concept. Thus, this quiet place is suitable for recreational activities and relaxation purpose visits. There exist basic public facilities and amenities such as mosque, toilet and clinic. The local residents are mostly fishermen, therefore, there will be easy supplies of fresh seafood products for the Kuala Pahang Seafood Complex. Besides that, these local residents are very positive and strongly support the idea of Kuala Pahang Seafood Complex development. They are willing to participate and contribute in any means they can such as performing cultural show and so on.

*Weaknesses.* However, Kuala Pahang area is too remote and is less developed. There is limited public access which discourage the visitors to come and stay in Kuala Pahang area. Beside this, the area is also facing social issues where some youngsters tend to do bad things such as theft and drugs. The safety issue is also a big concern because the area is lack of lighting, very less signage available and the threat of wild boars, cows and snakes. As regards to the positive youngsters' response in involving themselves for cultural performance, unfortunately they do not have enough requirements, facilities and attractive spot to conduct the cultural show. For business and entrepreneurship activities, residents are seemed lacking of knowledge and skills in business, marketing and entrepreneurship. Most of them are elders who do not possess formal training, but, doing business in a very small scale to fulfil daily needs.

*Opportunities.* Despite weaknesses mentioned above, there are many opportunities coming especially with the development agenda of Pekan under East Coast Economic Region (ECER) Development Council. Kuala Pahang is also one of the project areas to be supported under Fisheries Development Authority of Malaysia (LKIM). From the interviews conducted, local authorities and Pahang State Tourism Department is also providing full support for the idea of Kuala Pahang Seafood Complex. Other than these, as being projected by the economy forecast and other business entities, the demand for fish and seafood products especially local Malaysians are very high and will keep on rising until 2050.

*Threats.* Nevertheless, there is very limited budget allocation to develop the area and the local authorities urge the co-operation and support from third parties such as private firms and others. Besides that, there are lot of existing competitors as well as other attractive fishing village tourism and local seafood restaurants such as Cherating, Beserah, and so on. Moreover, the supplies of fish and seafood products are relative and not constant due to the nature of environment and monsoon season.

Further discussion is conducted by utilizing the 7Ps from marketing mix i.e. product, promotion, price, place, people, process and physical evidence. These discussion is based on the reviews of literature for the well-known fishing villages and seafood restaurants where it is found that all these seven elements exist within these successful world-known fishing villages.

The first 4Ps are the original marketing mix elements that are very crucial in marketing strategy for the development of Kuala Pahang Seafood Complex. Products (and services) that are to be produce at Kuala Pahang Seafood Complex must have the following criteria such as quality, great image appearance and branding. Recently, the Halal certification has also been growing interest among customers. The products should be always available and variants so that visitors can keep on coming to try new dishes while having preferences on the favourite one. The next P is promotion, which the next fundamental element to be taken care of by the business. Without proper and great promotion strategy, the successfulness rate of Kuala Pahang Seafood Complex may be very low and tend to fail. Kuala Pahang area is very small and have only around 10, 000 residents, thus, to ensure the sustainability of the complex and business for long time, more and more people should come. This is only viable through great promotion strategy. Kuala Pahang Seafood Complex marketing management should emphasize and utilize all means of marketing including direct marketing through various communication channels (online and offline), personal promotion by the staff and workers, sales promotion by having special day or discounts and public relation.

Next important P is price. Price positioning should consider various factor including the quality, services, ambience and etc. Customers are willing to pay more for the quality of products and services that they are satisfied with. Besides that, the price list must always be labelled and any special discounts can be highlighted. It is also important to have alternative payment method i.e. both cash payment and cashless payment using credit card, bonus point and etc. It is also good strategy to include the free or in-house services such as free treat, happy meal and other complimentary value-added elements. The following P to be considered is place. Place refers to direct or indirect channels to market, geographical distribution, territorial coverage, business location, catalogues, inventory, logistics and order fulfilment. It also refers to virtual stores such as a mail order catalogue, a telephone call center or a website.

People, the next crucial element of marketing mix, required Kuala Pahang Seafood Complex management to have the right people at the right place and time. In other words, all individuals recruited for sales and marketing team, customer services, production, cooking and so on should be trained and fully qualified for their work. To attain these capable and skilled people, good remuneration should be taken care by the management. The next P that is process is highly related with the people elements. This is because the process involves the procedures, mechanisms and flow of activities by which products and services are produced and delivered. It should be customer focus, supported by information technology, compliance to best practices, as well as monitoring and tracking the business performance. Last but not least, the physical evidence element. Physical evidence refers to the environment of Kuala Pahang Seafood Complex. This includes the choice for facilities items such as furniture and equipment. Spatial layout, proper signage and good interior design will attract the visitors and customers. Good ambient conditions are also important. Further discussion to answer the research questions are elaborated as follows.

*What is the demographic profile of Kuala Pahang?* Kuala Pahang, where the Seafood Complex is built, located about 15 kilometres from Pekan centre. There are 12 scattered villages under Kuala Pahang with approximately 10,000 villagers. It is found that most of them, especially fishermen families, do not have fixed income. This is because of the monsoon season and small target market. Usually the father or the elder son will set out to catch fish at the sea. They will sell them to fishmongers, restaurant owners or individuals (mostly housewives who then make extra income by making and selling processed sea products i.e. keropok lekor, fish crackers, sata and etc.). On the other hand, the young generation are assisting their families in these activities and seemed to be contented with their life status. The youth are more interested to spend their leisure time by playing sports such as football without much passion in expanding their families' small business.

*What are the crucial elements required for successful business model for Kuala Pahang Seafood Complex?*

From the literature review, findings analysis and discussion, there are several elements to be considered by the Kuala Pahang Seafood Complex management in order to ensure their successfulness rate. These elements are as shown in Figure 2. These elements are interrelated with each other and matched with the 7Ps of marketing mix discussed in the previous section. First and foremost is the location of Kuala Pahang Seafood Complex. The area is strategic with the seaside view. There are basic public facilities such as mosque and toilet. The discreetness environment is suitable for healing and relaxation purposes which will be attractive points for the visitors who used to live in the hustle and bustle of the city. However, the public access to this area is quite limited where only a few Rapid buses are coming in and out. There is also a lack of main attractions and entertainment in the surrounding area which may cause less visitors and travelers. Products and services offered should be at high quality, fresh and healthy, always available and most important is tasty and delicious. Kuala Pahang fishermen's products are also famous with the traditional dishes including lempeng ikan, sata and keropok lekor. Other than that, there are various food fusion and style that can be offered to the visitors and customers such as Thai dish, Chinese style, Malay style, Western and other contemporary styles including Arabian etc.

*What are the other recommendations to ensure the successfulness of Kuala Pahang Seafood Complex?* Besides several factors stated above, other external factors such as development of surrounding area, attractive visiting spots, collaboration with various stakeholders and additional value-added activities may also influence the visitors to Kuala Pahang. Further detailed strategies obtained through the literature reviews, survey and interviews conducted are recommended:

*Adoption of Blue Ocean Strategy ERRC Concept.* The concept of blue ocean strategy is a polemic nowadays. There are four elements to be considered in adopting the blue ocean strategy which are ERRC i.e. eliminate, raise, reduce and create. For example, the delivery at Kuala Pahang Seafood Complex can eliminate the waiting time that customers usually have to when dining in at the complex. This can be done by prior reservation online or phone call service. Then, the management of Kuala Pahang Seafood Complex may raise the standard of production and services delivery by having standard operation procedures and compliance to any ISO standards which are seldom conducted in the local restaurants. On the other hand, the management of Kuala Pahang may also reduce the amount of waste and unproductive activities by applying the 3R concept (reduce, reuse and recycle) as well as outsourcing some of the activities such as cleaning services, promoting and so on. Reduce can be in terms of limited amount of food serve, as applied in most Japanese restaurants, which is very seldom occur in local restaurant.

The most crucial element for blue ocean strategy is create. Create refers to winning factor that the current existing business has never offered in Malaysia. For example, in one of the Japanese restaurant, they serve the noodles through flowing water in pipe. Thus, having unique and different style of serving and products may attract more customers. Cooking package can also be offered to the customers to cook their own menu and dishes with the families or friends. The customers can barbecue, grill and so on in according to their preferences. Prior to that, they have to book and pay their session with the restaurant owner. This will secure the win-win situation between two parties in case the session has to be cancelled or postponed. The fresh raw materials can be obtained through live bidding from the fishermen. Besides that, the common rule for adopting blue ocean strategy also involve exploring customers from untapped market and unknown market space. In other words, Kuala Pahang Seafood Complex should not only think on the strategies that will attract the potential customers who are in love with seafood products and meals, but, also those the third-tier non-customers who have limited or very insignificant encounter for this business.

*Official Proclamation of Kuala Pahang as Tourism Industry Area.* Local Authorities i.e. Land and District Office Pekan (LDO Pekan) and Pekan District Council (PDC) should proclaim the Kuala Pahang as an area of development of tourism industry for fisheries-based products. Special allocation should be requested from the State and Federal Government to improve the infrastructure level and public amenities such as improving road condition, landscape beautification, and signage installation etc. LDO Pekan should explore the potential islands in Kuala Pahang and do research to develop appropriate projects thus encourage tourists to visit and stay in the developed area. Make Kuala Pahang more attractive by planting variety of flowers around the village. Through district administration, LDO Pekan should pool the support and efforts to identify the relevant target groups to drive business activities and maintenance of the complex, especially the youth. These target group should be given necessary training and skills required to manage a business and additional activities as well as support services at the complex. For example,

making a group of the boat operators for the 'river cruise', a group of entertainers or artists performing culture performance that is able to provide local traditions to the visitors such as the dikir rebana group, traditional dance, traditional games and so on. In fact, ordinary daily activities such as repairing nets can also be used as a tourist attraction if conducted in the proper and interesting way.

*Big Scale Promotion and Collaboration.* Promotion body of Pahang Tourism should help to introduce and highlight Kuala Pahang to the public by organizing national events such as running marathon, cycling, rowing, kite competition and treasure hunting etc. General public participation is possible through activities organized in conjunction with big event such as celebration anniversary of His Majesty Sultan, public holidays and annually special celebration day such as Teachers' Day, Mother's Day, and etc. special annual event for Kuala Pahang can also be organized.

Local authorities through collaboration with Fisheries Development Authority of Malaysia (LKIM) and Federal Agricultural Marketing Authority (FAMA) also can help promote Kuala Pahang as a business focus from the sea by organizing 'Fishermen's Market' on certain days of the week. For example on Saturday or Sunday and provide space specifically for marine and agricultural products marketed directly by the local community to visitors. Such model can be copied from the weekly Farmers' Market (Pasar Tani) activities, night markets and car boot sales held every week at UTC Kuantan parking lot organized by the Kuantan Municipal Council. The site for Kuala Pahang Fishermen's Market can be placed at the complex grounds, thus, provide opportunity for visitors to also visit the complex. On other days, the collaboration with LKIM and FAMA is also required to ensure that the complex will always have enough supplies.

Promotion signboards and advertising is crucial for the public interest. Particularly for travellers from Pekan and Kuantan to Kuala Lumpur by placing large, significant and interesting billboards in both routes to Kuala Lumpur from the main road Kuantan-Pekan i.e. at the intersection of Tanah Putih and intersection of Taman Maulana in front of Hotel Royal Ancasa. Great billboards design will be able to attract the interest of the Kuantan-Pekan road users which is also one of the main routes connecting the states of Pahang and Johor. Billboard promotion at other strategic places will be one of the ways to attract more visitors and customers at large scale to visit Kuala Pahang Seafood Complex, in addition to advertisement and promotional materials via hardcopy pamphlet and online medium. All program, facilities, activities offered and updated schedule should be promoted to public through all possible medium. Utilizing the social media network such as Facebook, Instagram, and etc. will able to attract people from all over the world. This can be done through pop-up notifications and promoting website links etc. This will be done only by the great collaboration with various parties including tourism agencies, ministry, state offices, universities, and so on.

Education institutions like Universiti Malaysia Pahang (UMP), DRB-HICOM University of Automotive Malaysia (DHU), Federal and State Government agencies, corporate group and large companies operating in Pekan District and etc. can also promote Kuala Pahang Seafood Complex by organizing entertainment visits to the complex for their honourable guest. Team building activity for the organization can also be planned and conducted in Kuala Pahang area.

Promotion Body of Pahang Tourism should also mobilize efforts to promote Kuala Pahang by organizing special collaboration with hoteliers, chalets owners and travel agencies. One of the various ways is by organizing Edu Tourism package. The homestay concept may be applied where tourist can stay at the

homestay and eat at the food court. During staying, tourist can fulfil their time with activities like factory visit and gain experience to make local food products such as “keropok” and “satar”. Other experiential learning can be conducted such as making and repairing fish net, traditional Pahang silk weaving, wood sculpture and making boat. Gallery for boat exhibition will sure attract the tourist. Furthermore, a place to learn “mencanting batik” will also be a great opportunity to attract tourist especially foreigners to experience that kind of learning.

*Corporate Social Responsibility.* Kuala Pahang Seafood Complex may apply social enterprise concept by providing corporate social responsibility activities such as fund-raising activity or donation for charitable organization etc.

*Other Attractive Activities and Recommendations.* Besides offering food and drinks as well as other attractive activities as per recommended, it is advisable for Kuala Pahang Seafood Complex to manage closer relationship with the customers or visitors by having a fan or loyal club i.e. membership program. Through this approach, customers may get coupon or stamp for every each contribution they made for example dining in more than five times, introducing new customers, and so on.

River cruise along the river of Kuala Pahang is highly recommended. Tourist may be given option to board a boat and release their own fishing nets to experience fishermen life. The best idea would be cooperation with travel agencies for “Fisherman Village Tours” concept. This concept can be provided by the travel agencies in their package offered to visitors. Hotel Royal Ancasa can help promoting boat ride for their residence staying in the hotel. Besides that, competition among fishermen for the most attractive boat can be done during the river cruise or boat ride.

Fishing and Squid Jigging Package can be offered to visitors by the fishermen where they can share the skills and techniques for fishing and squid jigging. It will be special hands-on experience since this kind of activity is not very often executed in urban area. However, the cooperation from the fishermen and villagers are very crucial to ensure the successfulness of this activity. High Profile Sport such as GP Joran Berita Harian Carnival conducted in 2015 can be done again. This event had successfully attracted more than 300 participants of anglers and many companies to officially invest in this carnival. Through this event, the beach in Kuala Pahang area received tremendous publicity and thus has the potential to be a popular sport in upcoming years.

Spa and traditional massage package is seemed to attract parents and visitors while spending time with families or during leisure visits to Kuala Pahang. This kinds of package are highly attractive and popular as being offered at Bali, Indonesia and Phuket, Thailand.

Various historical and cultural activities along the beachside area can be scheduled to attract more visitors such as Special Stage Performance that focus on Pahang cultural inheritance with the assistance and collaboration with tourism agencies, universities and Ministry of Tourism and Culture Malaysia, Pahang Office. In addition to the above activities, it is highly suggested to attract more visitors by promoting the historical and other interesting tourism spots at surrounding area such as Pahang Royal Palaces, museums, waving center, art gallery and so on.

Proactive local community is one of the most crucial elements to ensure the successfulness rate of Kuala Pahang as preferred destination for tourism. This is because local community are the heart of Kuala Pahang. Visitors will be delighted to enjoy their visit if the find the interaction with local community is

positive and vibrant. Local community should enhance their skills and capabilities to cater the expectation of visitors. They should attend any special training or session offered by local authorities, institutions or Private Corporation such as business and marketing class, entrepreneurship training and communication class.

*What is the best business model to be adopted by Kuala Pahang Seafood Complex?* The business model of Kuala Pahang Seafood Complex is illustrated in the following Table 2 according to the business model canvas proposed by Osterwalder and Pigneur (2010). This business model ontology consists of nine elements, namely, value proposition, target customer, distribution channel, relationship, value configuration, capability, partnership, cost structure, and revenue model (Osterwalder, Parent, & Pigneur, 2004). A Value Proposition is an overall view of a company's bundle of products and services that are of value to the customer. The Target Customer is a segment of customers a company wants to offer value to. A Distribution Channel is a means of getting in touch with the customer. The Relationship describes the kind of link a company establishes between itself and the customer. The Value Configuration describes the arrangement of activities and resources that are necessary to create value for the customer. A Capability is the ability to execute a repeatable pattern of actions that is necessary in order to create value for the customer. A Partnership is a voluntarily initiated cooperative agreement between the enterprise and another company in order to create value for the customer. The Cost Structure is the representation in money of all the means employed in the business model. The Revenue Model describes the way a company makes money through a variety of revenue flows (Joyce & Paquin, 2016).

**Table 2: Business Model Canvas for Kuala Pahang Seafood Complex**

| <b>PARTNERS</b>                                                                                                                                                                                                            | <b>ACTIVITIES</b>                                                                              | <b>VALUE</b>                                                                                                                                                                          | <b>CUSTOMER</b>                                                                                                 | <b>CUSTOMER</b>                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Local and Government Authorities such as Pahang Tourism Board, Fisheries Development Authority of Malaysia (LKIM) and Federal Agricultural Marketing Authority (FAMA) etc. Tourism Agencies Hoteliers Private Organization | Marketing Business Operation<br><b>RESOURCES</b> Distribution Channels Patent on product Brand | <b>PREPOSITION</b> Restaurants' product and services quality Cooking package Edu-tourism and leisure activities such as cultural visit, spa and massage, squid jigging, river cruise, | <b>RELATIONSHIP</b> Membership club<br><b>CHANNELS</b> Website and mail order Call centre Social Network System | <b>SEGMENTS</b> Office Market Households University Local and international visitors |
| <b>COSTS</b> Marketing Business Operation Distribution & Channels                                                                                                                                                          |                                                                                                | <b>REVENUES</b> Main revenue: restaurant and seafood products Others: from supporting activities such as river cruise, squid jigging, home stay,                                      |                                                                                                                 |                                                                                      |

### 3. Conclusion

Based on the assessment, it is clear that Kuala Pahang do not have a strong competitive advantage compared to other nearby attractions. There are very little tourism infrastructure and facilities to accommodate tourists in the area i.e. accommodation, restaurants, local transportation, information about the attractions etc. Further assess on market conditions and tourism possibilities within the larger regional setting would be good. In spite of current condition, the local community shows a great interest in supporting and participating the development of Kuala Pahang as tourism destination. Positive feedbacks and supports from other important stakeholders such as Local District Office, Pahang Tourism, hoteliers, travel agents and so on will ensure the successfulness of Kuala Pahang Seafood Complex as a tourism attraction. From the analysis conducted, it is highly recommended for the Kuala Pahang Seafood Complex to highly pay attention on the crucial elements for a successful and sustainability business. Further research, especially on the potential customers' preferences, has to be conducted in other to ensure the successfulness rate of Kuala Pahang Seafood Complex.

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