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## Consciousness towards Socio-Economic Impact Propensity: The Langkawi Island

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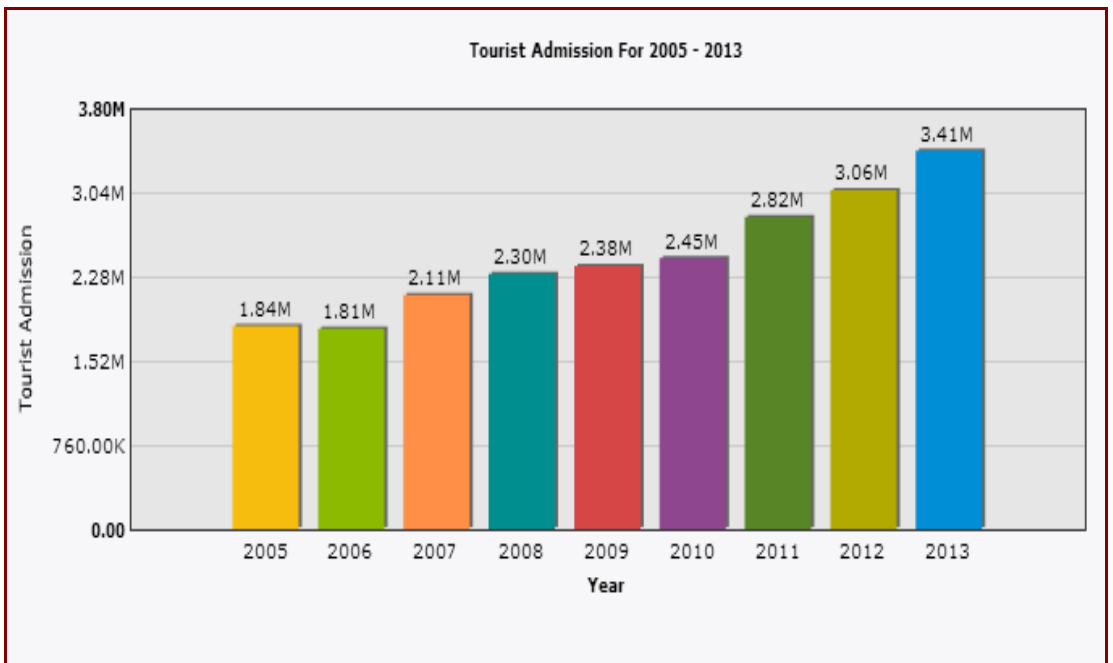
**Abstract.** This study evaluates the socio-economic impact of tourism development on the tourist perceptions in Oriental Village, Langkawi Island. Socio-economic impacts are the consequences of either the tourism industry development or the presence of tourists in a particular destination, which resulted from the host-tourist relationship. Data for this research was generated using quantitative techniques and divided into 3 parts of instruments. Part A includes the demographic profile of respondents, Part B contains perceptions and opinions in economic and social impacts and the last part was Part C where consists tourism utility assessment in social, economy and transportation. Simple frequency of mean and paired sample *t*-test analysis were used to analyse the data generated for the study. The findings of the analysis proved that tourism development had a significant effect on the socio-economic impact and on the tourists' perceptions in Oriental Village, Langkawi Island. In addition, it is viewed that public participation must be encouraged by tourism developers and planners to ensure the sustainability of tourism development in the community. Thus, this paper aims to give emphasis on the establishment of standard social guidelines within the tourism development framework for the purpose of preserving and protecting the social and economic values.

### 1 Introduction

Since 1980s, Malaysia has been slowly and steadily setting up the pace as a major player in the global travel and tourism (Hassan, 2008). With its uniquely successful tagline "Malaysia, Truly Asia", Tourism Malaysia has steered the international attention towards Malaysia, especially for the last seven years and resulted in notable tourists' arrival and receipts [1]. Some of the leading tourist generating markets for Malaysia in the recent times had been Singapore, China, Japan, India, Australia and United Kingdom [2]. The fierce competition in the tourism market has brought the urgent need for offering practical and sensible tourism activities.

Homestay programmes in Malaysia were still in its infancy phase and yet, it provides distinguish the experiences of adventure, sport and rural tourism [3] In cases of the integrated resorts (for example Sunway Lagoon Resort, Mines Wonderland & Resort and Mid-Valley Megamall), enjoyment is offered in the form of experiencing urban tourism activities. On the other hand, beach and island tourism (for instance Langkawi Island, Pangkor Island and Emerald Island) delivers the opportunity to undertake adventurous activities such as caving, rafting, snorkelling and scuba diving. Sport tourism in Malaysia takes the form of Formula 1 and events like Monsoon Cup and Tour de Langkawi [4].

This paper discusses the socio-economic impacts of tourism development on Oriental Village, Langkawi Island. Located at the foothills of Mt. Machincang, Oriental Village is one of the Langkawi Geopark's three main areas of interest that has received the international recognition. It is owned and managed by LADA Eco-tourism Sdn. Bhd, a fully-owned subsidiary of the Langkawi Development Authority (LADA). The Oriental Village may be synonymous with "Langkawi Cable Car," the Village offers more than 50 activity providers, food & beverage outlets, souvenir & retail stores, galleries, hotels and spas; making it the largest outdoor lifestyle mall in the northern region. The nature of Oriental Village tourism development provides this paper a great prospect in examining the impacts, which was anchored on the three main principles of social equity, economic efficiency, and ecological sustainability.



**Table 1.** Tourist Arrivals to Langkawi, 2005-2013  
*Source: Langkawi Development Authority, 2005-2013*

Tourism sector has a connection with the arrival of tourists to the country, either domestic or international tourists. Their arrival are very important because it can generate income as well as increase the country's economic growth. Table 1 reveals that the number of tourists visiting Langkawi Island. The Langkawi Local Plan [5] recorded an increase number of tourist arrivals increase from 1.84 million in year 2005 to 3.41 million in the year 2013. This indirectly translated into notable hosts-tourists encounters, which in turn, influence the socio-economic impacts. The uniqueness of Malaysia have become the stepping stone towards competing with other popular destinations of the global economy [6].

## 2 Literature review

### 2.1 Socio-economic impacts of tourism

Tourism comprises of the activities of people travelling to and staying in places outside their usual environment, for not more than one consecutive year for leisure, business or other purposes [7]. In

other words, tourism is “the study of people away from their usual habitat, of the establishment which responds to the requirement of travellers and of the impacts that they have on the economic, physical and social well-being of their host” [9]. This definition recognises the key players in the industry as tourists (people who travel out of their usual place of residence), tourism industry (establishments that responds to the needs of travellers), impacts (economic, environmental, social and cultural) and the host community whose tourism resource the tourist have come to enjoy. More specifically, tourism is the economic and social impacts (processes and changes influenced by the usage of natural and cultural resources) that occur within the societies’ environment which brought by the hosts-tourists encounters [7].

An assessment of tourism’s contribution to economic development in host regions requires an analysis of the backward and forward linkages between tourism and other sectors, an understanding of the spatial location of tourism activities and identification of the beneficiaries of its economic and other impacts. Therefore, tourism has been envisaged as a catalyst for national and regional development bringing employment, exchange earnings, balance of payments advantages and important infrastructure developments benefiting locals and visitors alike [9].

According to [10], tourism is a multi-layered subject with numerous impacts that often influences areas beyond those commonly associated with the industry. [11] noted that the economic importance of tourism plays a role in determining residents’ attitudes. As economic benefits increase, residents’ attitudes become more favourable. In general, tourism is favoured by developing economies because it is a so-called invisible export [12]. This means it brings foreign exchange into the country without shipping any resource or product abroad. Community support for tourism is necessary to ensure the commercial, socio-cultural, physiological, political and economical sustainability of the industry’ [13]. The Federal Government also established the further that local residents believe the tourism industries Langkawi Development Authority (LADA) in 1990 [14].

LADA can act as an export industry and contribute to the is responsible for expanding and supporting tourism nation’s balance of payment and play a major role in development in Langkawi by providing infrastructure and getting income for the nation. The main objectives that LADA was operated based on encourage social, economic and physical to the development in the tourist region. As shown in development of Langkawi in line with the development policies of Malaysia, which will also benefit local residents.

Otherwise, LADA also wants to establish a development environment conducive to positioning Langkawi as an international tourist destination, encourage and carry out the economic restructuring of lower productivity sectors into higher productivity sectors, for example from farming to tourism and create attractive opportunities for foreign investors using the existing available tourism products and resources. In fact, LADA has made its presence felt by the population of Langkawi through various projects that can increase in socio-economic investments and infrastructure improvement to support the development of tourism industry.

### **3 Research methodology**

This paper employed self-administered questionnaire that was constructed based on 6-point Likert scale “1= strongly disagree, 2= disagree, 3= least disagree, 4= slightly agree, 5= agree and 6= very agree”. Descriptive statistics and paired sample T-test were used as the statistical techniques in this study. Targeting respondents with minimum age of 18, the questionnaires were distributed to tourist who visited Oriental Village between June 2014.

Of 400 distributed questionnaires, this study has successfully retrieved 366 usable questionnaires, which amounted to approximately 91.5% response rate. The data collection instrument was divided into three sections. Section A includes Demographic profile, Section B contains Social and Economic Impact and Section C which have a Tourism Utility Assessment (Economics Social and Transportation) which seeks information aimed providing answers to the questions being considered in the study.

The study is motivated by [14] which gives emphasis on the role of tourism as in economic and destination development. Thus, the notion adopted is to develop high-potential tourism products, especially natural history and sustainability. In addition, the policy is implemented for the purpose of increasing the tourism promotion efforts for local and overseas markets and encouraging the involvement and participation of the local population in tourism development plan, including private organizations. Within this study scope, increase in tourists arrival has been set up as the dependent variable three variables were utilized as the independent which have; there are enough workers to serve the tourists, public transportation is sufficient and transportation system is effective.

## 4 Data analysis

Paired sample T-test was used to analyse the tourists perception on the socio-economic impacts. More specifically, it is to study the significance of DV; There is an increase in tourists arrival and IV; there are enough workers to serve the tourists [I], public transportation is sufficient [II] and transportation system is effective [III]. From Table 2, results prove that all the variables are significant at 95% confidence interval. In detail, Table 2 indicates the following: IV[I] the t statistic is  $t = 2.999$ , and  $p = 0.000$ ; shows a very small probability followed by IV[II] the t statistic is  $t = 7.070$ , and  $p = 0.000$ , and IV[III] the t statistic is  $t = 6.087$ , and  $p = 0.000$ . This confirms that, although the differences in variables are statistically significant, it is actually relatively small.

**Table 2.** Paired Sample T-test between Socio-economic Impact

Paired Samples Test					
DV (Social Variable)	IV (Economic Variable)	Mean	Std. Deviations	t	Sig. 2 tailed
There is an increase in tourists arrival	There are enough hotel/chalet workers to serve the tourists [I]	0.195	1.216	2.999	0.000**
	Public transportation is sufficient [II]	0.542	1.431	7.070	0.000**
	Transportation system is effective and efficient [III]	0.414	1.277	6.087	0.000**

\*\*Significant level at 0.05

## 5 Discussion and conclusion

Table 2 showed the respondents' positive perception of the socio-economic impacts in terms of significance of social variables [DV] that can be improved in economics variables [IV] by improving the services aspects especially public transportation facilities. In the context of limited numbers of public transportation, this paper suggests for collaboration between the government and the public transportation service provides in providing public bus service to serve as the tourists' travelling factor. Further, this study envisages the possibility of using the public tour bus as a public bus. Therefore, this might help in maximizing the public tour bus service providers' income and network. Of interest, this suggestion is in line with the LADA vision in improving the transportation service and network of the Langkawi Island generally and the Oriental Village especially.

Despite the lower difference value compared to transportation variables ([II] and [III]), this paper finds the results of substantial hotel/chalet workforce is significant in creating the distinguished tourism experience. This is due to the fact that psychological perspective plays a crucial role in attitude dimension. Here, substantial workforce translated into limited delay in service time and well-versed workforce personalities. In the context of disadvantages, tourism contributes to profits maximization propensity, at the expense of environmental cost [13-15]. Further compounding this issue is the realization that the profits are generated without consideration towards the resources

(transportation service and network as well as service workforce) carrying capacity. An integrated public transportation policy should therefore ensure that the carrying capacity levels of transportation network are not exceeded. In coming up with such a policy all stakeholders, especially local people should be involved in policy formulation, implementation and monitoring for it to be effective and to ensure the sustainability of tourism.

By [15] is entrusted to formulate strategies and policies related to tourism development. As tourism in Malaysia is private-sector led, both the Federal and State governments are only required to provide the infrastructure to facilitate private investments. By way of practice, however, the provision of tourism infrastructure includes not only the ‘hard’ infrastructure such as roads, airports and jetties; but also the ‘soft’ infrastructure in the form of the organisation of special events. The first step towards increasing the number of tourists to Langkawi is to increase the air route network of international destinations through charter flights and new routes. At the same time, the ferry to Langkawi will be improved.

Initiatives targeted at key touch points will give visitors an amazing experience when you arrive in Langkawi. Through increased mobility of land transport, from intermediate through to vehicle control aspects of the fare. This will also enable travellers to enjoy a comfortable ride and give more options to look around Langkawi and give more options to look around Langkawi. Blueprint's success depends on the success of other initiatives and infrastructure products.

Development of branding and marketing campaign specifically for Langkawi rooted core values and differentiated by market preference. Development in Langkawi due to tourists, leading to the construction of international hotels, chalets, resorts and other basic facilities that provide job opportunities to the local population in Langkawi. The changes affect the progress of the development of the tourism industry who have physical and socio-economic changes

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