

University of Massachusetts Amherst
ScholarWorks@UMass Amherst

Travel and Tourism Research Association:
Advancing Tourism Research Globally

2019 ttra International Conference

Local residents' perceptions about tourism development

Kim Pham

Kathleen Andereck
Arizona State University

Christine Vogt
Arizona State University

Follow this and additional works at: <https://scholarworks.umass.edu/ttra>

Pham, Kim; Andereck, Kathleen; and Vogt, Christine, "Local residents' perceptions about tourism development" (2019). *Travel and Tourism Research Association: Advancing Tourism Research Globally*. 74.
https://scholarworks.umass.edu/ttra/2019/research_papers/74

This Event is brought to you for free and open access by ScholarWorks@UMass Amherst. It has been accepted for inclusion in Travel and Tourism Research Association: Advancing Tourism Research Globally by an authorized administrator of ScholarWorks@UMass Amherst. For more information, please contact scholarworks@library.umass.edu.

Local residents' perceptions about tourism development

Introduction

Tourism is the world's largest industry. Thanks to technology, it has never been easier to travel than it is today. Affordable, easy-to-access, and global networks of tourism services such as cheap airlines, Airbnb, Uber, Google map, and Google translator have enabled tourists to travel extensively. According to a recent report of the World Tourism Organization (UNWTO), the number of international tourist arrivals has increased from 25 million in 1950 to over 1.3 billion in 2017 (UNWTO, 2018). This sector is predicted to grow 3.3% annually until 2030 (UNWTO, 2018). The benefits from the travel and tourism are undeniable. Tourism contributes significantly to the economy and generates an enormous job market. Statistics from UNWTO also show that tourism created a total global economic contribution of over 7.6 trillion USD in 2016. In addition to generating income, tourism revenue also helps to pay for public services and infrastructure, such as education, health care, and transportation. Non-economic benefits from tourism are also easily recognizable. Tourism also helps to preserve and promote cultural and natural resources, enhance personal living experiences, as well as promote socialization and globalization. Unfortunately, the negative impacts of tourism can go hand in hand with the benefits. Improper tourism management can create pressure on infrastructure, energy consumption, increase environmental problems, exploit natural resources, increase the price of good and services, as well as real estate, facilitate crime, and degrade local cultures. Consequently, the overall negative impacts of tourism can decrease the quality of life for residents and visitors alike.

Local residents are important stakeholders and their quality of life should be considered in tourism planning and management. In many cities such as Venice or Barcelona where residents' quality of life is suffering from negative impacts of tourism, residents are launching campaigns against tourism causing challenges for the industry. Therefore, local residents' support for tourism development could be a critical factor to determine the success of destinations. This paper examines residents' perspectives at tourism destinations, specifically, the relationship between residents' satisfaction with their quality of life related to tourism impacts and their support for tourism.

Literature Review

Residents' experiences and perceptions are popular research topics in tourism and recreation, (Andereck, Valentine, Knopf & Vogt, 2005; Chen, 2001; Kumar, Sakhivel & Ramanathan, 2013). In recent decades, researchers have paid attention to residents' perceptions of quality of life (QOL) related to impacts of tourism (Kim, Uysal & Sirgy, 2013; Liang & Hui, 2016; Rivera, Croes & Lee, 2016; Yu, Cole & Chancellor, 2016). The rise of research in QOL is "based on the premise that the traditional economic measures of societal development (e.g., GNP) cannot be equated with the more important indicators of development that capture subjective well-being" (Sirgy & Cornwell, 2002). Spradley (1976) defined QOL as "an overall state of affairs in a particular society that people evaluate positively." It refers to people's feelings of satisfaction or fulfillment with their living experience. QOL involves many aspects of people's lives and environment; therefore, it is a multi-dimensional and interactive construct (Schalock, 1996). QOL can be assessed at different levels: individual level, family level, community level, and the country level (Sirgy & Cornwell, 2002). Researchers have high agreement that the best way to

study QOL is from the perspective of the individual (Taylor & Bogdan, 1990). According to literature about local residents' perceptions regarding tourism, residents' levels of support for tourism development depend on their levels of satisfaction with the QOL in the destination under the impacts of tourism (Andereck & Nyaupane, 2011; Rivera, Croes & Lee, 2016; Woo, Kim & Uysal, 2015). Many studies have contributed to the creation of indicators to measure QOL. In general, the tourism-specific indicators of QOL in literature include economic indicators such as income, tax, prices; environmental indicators such as cleanliness, peace and quietness, safety; and social-cultural indicators such as community identity, and recreational opportunities for local residents (Andereck & Nyaupane, 2011; Uysal, Sirgy, Woo & Kim, 2016).

According to social exchange theory, residents are more likely to have a positive attitude about tourism activities if they perceive higher economic gains from tourism in their communities or personal benefits (Lankford & Howard, 1994). The exchange approach can also be viewed in terms of social interaction and intangible benefits (Emerson, 1976). Wang and Pfister (2008) argued that residents' attitudes towards tourism are influenced by noneconomic values.

According to Uysal et al. (2016), research in QOL area should be contextualized to "reflect the uniqueness of the setting in which tourism activities take place" as well as "to address these nuances of complexity" in different population groups. This study will examine a popular destination in Southwest America to widen the landscape of research sites represented in the literature. Additionally, the study will test a structural equation model of the relationship between residents' satisfaction with quality of life under the influence of tourism and their level of support for tourism development.

Proposed Structural Equation Modeling (SEM)

This study utilized indicators about residents' satisfaction with QOL and their support for tourism from literature. Data were used to develop a structural equation model (Figure 1). The hypothesis of this study is that residents' satisfaction with tourism-related QOL indicators is positively related to level of support for tourism in the destination. According to the proposed model, local residents' satisfaction with QOL is composed of three domains: satisfaction with the tourism economy, satisfaction with the environment, and satisfaction with the social and cultural life of the community.



Figure 1. Proposed model of local residents' perceptions about tourism in a destination

Methodology

The research site is a popular destination in the Southwest of the USA. Its attractions include trails, archeological and heritage sites, national monuments, state parks, and boutique shopping stores. Annual visitation to the destination has historically been around 3 million visitors per year. While tourism generates great benefits to the locality, peak travel periods have pushed infrastructure capacity and sustainability issues to a tipping point. Before the research started, concerns about the decreased QOL for the community due to heavy visitation were being expressed. A number of residents question tourism's value to the destination.

The data used in this study are from a resident survey conducted between March and July 2018. Mail surveys were sent to 1,000 randomly selected households in the destination, which accounts for approximately 20% of the total owned home units. By the end of the data collection, 376 household representatives completed and returned the surveys, generating a response rate of about 38%. Demographically, the average age of the respondents was 67 years old. The largest age segment was the baby-boomers, 54-72 years old (65%). Women (52%) were slightly more prevalent than men (48%) as respondents. Most respondents were highly educated (76% with a college degree) and financially well-off (41% with incomes of \$100,000 or more).

Data Analysis and Results

Original set of indicators and measurements

This study utilizes a total of 28 indicators for analysis. Twenty-three indicators for the residents' overall satisfaction with QOL construct includes six indicators of satisfaction with the tourism economy, seven indicators of satisfaction with the environment, ten indicators of satisfaction with the social and cultural life of the community. Residents were asked to rate their level of satisfaction with each of these indicators based on five-point scales from 1-Not at all satisfied to 5-Extremely satisfied.

The residents' support for tourism construct includes five indicators also measured with five-point scales: The role that tourism should have in the destination's economy, scale from 1 - no role at all to 5 - a greater role than now; preference of the number of tourists in the future, scale from 1 - prefer less to 5 - prefer many more; support increased levels of tourism, scale from 1 – strongly disagree to 5 – strongly agree; preference of tourism businesses, 1 - prefer less to 5 - prefer many more; and acceptance of tourism and outdoor recreation development, scale from 1 - not acceptable to 5 - very acceptable.

Confirmatory Factor Analysis on original set of indicators

Confirmatory factor analysis (CFA) is “a multivariate statistical procedure that allow evaluating whether there is a relationship between the observed variables and the existence of underlying latent constructs” (Schumacker & Lomax, 1996). For this analysis, MPlus 8.2 was used. The results of the overall CFA did not show a good fit, with $\chi^2 = 832$, $df = 185$, $P\text{-value} < 0.05$, $CFI = 0.73$, $TFI = 0.70$, $SRMR = 0.96$.

Exploratory factor analysis

Due to the poor fit of the set of the original indicators with CFA, an exploratory factor analysis (EFA) was necessary to revise the set of indicators. EFA “investigates relationships between a set of observed variables and the construct, and examines the covariation among a set

of observed indicators in order to achieve underlying structures and collect information on the construct” (Hair, Tatham, & Black, 1998). EFA for this study was conducted on SPSS.

EFA was first conducted on 23 indicators of the satisfaction with QOL. A Kaiser-Meyer-Olkin Measure of Sampling Adequacy value at 0.85 and $p < .001$ showed that the data are meritoriously suitable for factor analysis. Three sub-constructs were extracted with Cronbach’s Alpha values of more than 0.7, and Eigenvalues of more than 1.0. The indicators factored together do not reflect the original three sub-constructs of economy, environment, and socio-culture. Therefore, new names were given to each new sub-construct to better fit with their attributed indicators. Table 1 shows details of the new sub-constructs and their validity values resulting from EFA.

Table 1. Sub-constructs for Satisfaction with QOL

Constructs of Satisfaction with QOL	Number of indicators	Cronbach’s Alpha	Eigenvalues
Satisfaction with tourism services and infrastructure	5	0.886	4.337
Satisfaction with environment	7	0.856	6.336
Satisfaction with socio-economy	5	0.718	1.684

Table 2 shows 17 indicators that are extracted from EFA with significant factor loadings of more than 0.4. Six indicators that needed to be removed are tourist spending, fair prices of goods & services, adequate tax revenues to support City services, reasonable real estate costs, high standard of living, and spiritual/metaphysical activities and facilities. Most of the removed indicators belong to the original economy sub-construct. The remaining indicators of the original economy sub-construct are grouped together with indicators of the original socio-culture sub-construct to form a new sub-construct of socio-economy. Satisfaction with tourism services and infrastructure is another newly formed sub-construct that includes indicators from both the original economy sub-construct and socio-culture sub-construct. The sub-construct of satisfaction with environment remained the same in terms of name and indicators.

Table 2. EFA results for Satisfaction with QOL construct

Indicators	Abbr.	Sub-constructs of Satisfaction with QOL		
		Tourism Services and Infrastructure	Environment	Socio-Economy
Quantity of hotels and resorts	TSF1	0.904		
Local restaurants	TSF2	0.909		

Availability of short-term rentals	TSF3	0.890
Retail stores/Shopping	TSF4	0.638
Festivals/Events	TSF5	0.673
Attractiveness/cleanliness	EV1	0.789
Limited litter & vandalism	EV2	0.773
Safety/lack of crime	EV3	0.720
Conservation of natural areas	EV4	0.690
Clean air and water	EV5	0.646
Preservation of archeology sites	EV6	0.565
Peace and quiet	EV7	0.556
Diversity and quality of employment	SE1	0.771
Diverse economy	SE2	0.666
Quality recreation opportunities	SE3	0.555
Cultural activities for residents	SE4	0.546
Community identity	SE5	0.530

EFA was then conducted on five indicators of the support for tourism construct. The data was suitable for factor analysis with a Kaiser-Meyer-Olkin Measure of Sampling Adequacy value at 0.77 and P-value < .001. Table 3 shows significant indicators of the construct, extracted based on Cronbach's Alpha values of 0.78, eigenvalues of 2.267 and factor loadings of more than 0.4 (range from 0.631 to 0.847). One indicator that was removed is preference of tourism businesses

Table 3. EFA results for Support for tourism construct

Indicators	Abbr.	Factor loadings	Cronbach's Alpha	Eigen-values
The role that tourism should have in economy	ST1	0.847	0.780	2.267
Preference of the number of tourists in the future	ST2	0.843		
Acceptance of tourism/outdoor recreation development	ST3	0.759		
Support increased levels of tourism	ST4	0.631		

Revised SEM model

Following the EFA results, the proposed SEM was revised (Figure 2). Accordingly, the revised construct of local residents' satisfaction with the QOL is composed of three sub-constructs: satisfaction with the tourism services and infrastructure, satisfaction with the environment, and satisfaction with the socio-economy of the destination. This model differs from the proposed constructs developed in the literature with the inclusion of residents' perspectives about tourism services and infrastructure. Additionally, economic satisfaction aligned itself with socio cultural satisfaction into one construct that shows a more comprehensive impact of tourism on residents' well being.



Figure 2. Revised proposed model of local residents' perceptions destination's economy

Confirmatory Factor Analysis on the revised model

Next, a separate confirmatory factor analysis was performed for each construct and its indicators to confirm the united dimensionality. Then, the overall measurement model fit with the total of 4

constructs and 21 indicators was examined. The measurement demonstrated, overall, an acceptable degree of goodness of fit to the data: $\chi^2 = 469.46$, $df=185$, ratio $X/df=2.54$. RMSEA = 0.06, CFI = 0.91, TLI = 0.90, SRMR=0.06. All of the indicators were significantly loaded on their specified latent variable with a P-value < .001 indicating the internal consistency of items (Table 4).

Table 4. Overall CFA for the measurement model

Constructs and indicators	Factor loadings	S.E	P-value
<i>Satisfaction with tourism services and infrastructure</i>			
Hotels/motels/resorts	0.531	0.030	0.000
Local restaurants	0.911	0.037	0.000
Availability of short-term rentals	1.013	0.036	0.000
Retail stores/Shopping	0.518	0.042	0.000
Festivals/Events	0.518	0.044	0.000
<i>Satisfaction with environment</i>			
Attractiveness/cleanliness	0.610	0.042	0.000
Limited litter & vandalism	0.872	0.064	0.000
Safety/lack of crime	0.751	0.063	0.000
Conservation of natural areas	1.046	0.070	0.000
Clean air and water	0.946	0.075	0.000
Preservation of archeology sites	0.677	0.061	0.000
Peace and quiet	1.019	0.087	0.000
<i>Satisfaction with socio-economy</i>			
Diversity and quality of employment	0.277	0.035	0.000
Diverse economy	0.943	0.133	0.000

Quality recreation opportunities	1.195	0.154	0.000
Cultural activities for residents	1.276	0.168	0.000
Community identity	1.047	0.139	0.000
<i>Support for tourism</i>			
The role that tourism should have in economy	0.545	0.036	0.000
Preference of the number of tourists in the future	1.839	0.127	0.000
Acceptance of tourism/outdoor recreation development	1.524	0.129	0.000
Support increased levels of tourism	1.126	0.109	0.000
<i>Satisfaction with QOL</i>			
Satisfaction with tourism services and infrastructure	0.274	0.235	0.244
Satisfaction with environment	2.106	0.550	0.000
Satisfaction with socio-economy	0.922	0.047	0.000
<i>Satisfaction with QOL with support for tourism</i>	0.057	0.018	0.001

Structural Equation Modeling on revised model

A final step to quantitatively evaluate the full model was to perform an SEM on Mplus to test the relationships between the four constructs. Latent variable (constructs and sub-constructs) abbreviations are SERINFR (satisfaction with tourism services and infrastructure), ENVIRON (satisfaction with environment; SOCIO-ECO (satisfaction with socio-economy), SFQOL (Satisfaction with QOL), and SUPPORT (support for tourism development).

The results as shown in Figure 3 provide an adequate fit to the data: $\chi^2 = 469.46$, $df=185$, ratio $X/df=2.54$, $RMSEA = 0.06$, $CFI = 0.91$, $TLI = 0.90$, $SRMR=0.06$. Factors loadings from all indicators to construct and sub-constructs are above 0.50 and P-values < .001, supporting the significance of indicators.

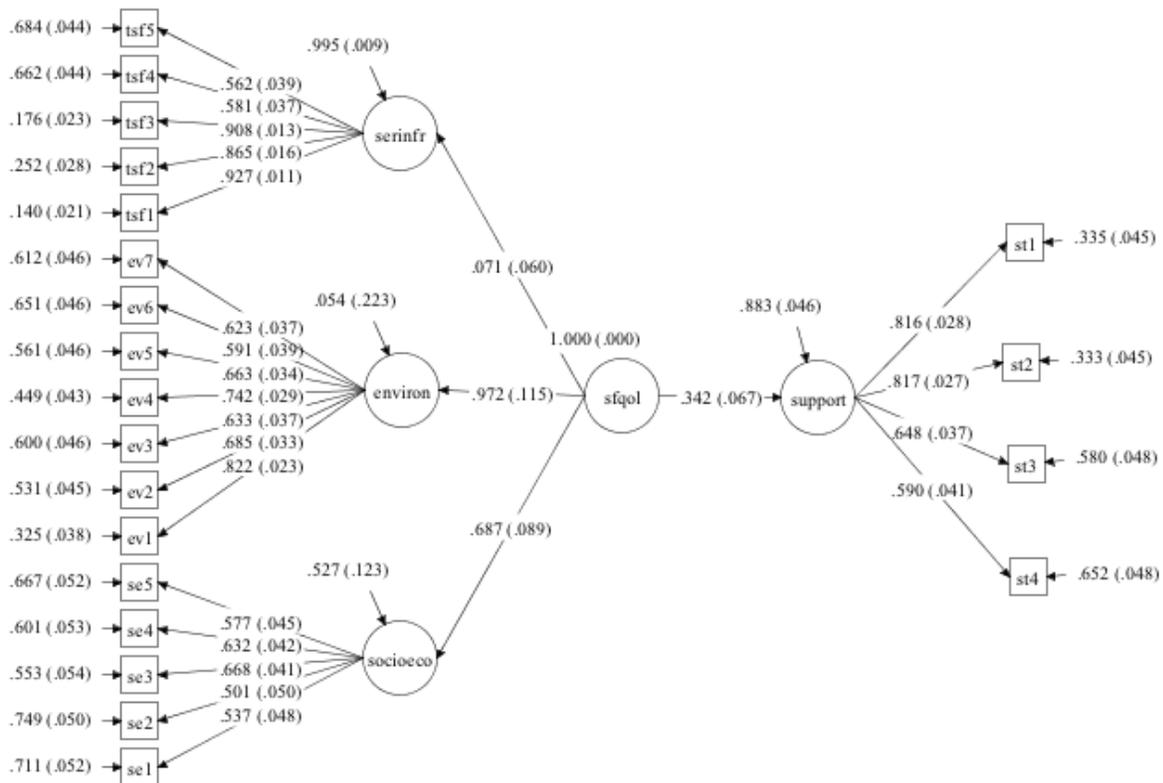


Figure 3. Results of revised model of local residents' perceptions destination's economy

Conclusion and Discussion

The results show a moderate positive correlation between the overall satisfaction with QOL construct and support for tourism construct, with factor loadings of 0.34 and P-value < .001. Accordingly, residents' level of support for tourism partly depends on their level of satisfaction with the tourism-related QOL in the destination.

The sub-construct of satisfaction with environment has a nearly perfect positive correlation with the overall construct of satisfaction with QOL at 0.97 and P-value < .001, suggesting satisfaction with environment a significant component of the construct. The finding could be backed up by the fact that the destination's main attractions lie in its pristine nature, cleanliness, peacefulness, open space and local heritage sites. Additionally, most residents are of an older age (mean = 67 years) and moved to live in the destination for retirement and relaxation; they might value environmental features as very important to their QOL.

The sub-construct of satisfaction with socio-economy is significant with factor loading of 0.68 and P-value < .001. In the sub-construct of satisfaction with socio-economy, there are 2 economic indicators (diversity and quality of employment, diverse economy) and three social indicators (quality recreation opportunities, cultural activities for residents, community identity). The EFA process reduced the number of economic indicators from 6 in the original model to 2 in the revised model, with most of removed indicators in the whole model economic indicators. It can be inferred that even though economy plays a role in the residents' QOL, it seems only important in combination with social effects. Residents in the research site were found not to

place importance on economic aspects such as tax from tourism, prices of goods or how much tourists spend at the destination. The explanation for this finding could be that most residents at the research site are retired and financially well-off (41% with incomes of \$100,000 or more); therefore, economic benefits from tourism are not their most important concern.

The loading from the sub-construct satisfaction with tourism services and infrastructure on to the overall satisfaction with QOL construct is not significant at 0.07 with a P-value $> .05$. Therefore, despite efforts to construct a new dimension, satisfaction with tourism services and infrastructure was found not to be a good component of the overall QOL construct in this study. Future studies could help to examine this sub-construct in other tourism contexts.

Overall, the study confirms that residents' satisfaction with QOL affects their level of support for further tourism development. Destinations that want to succeed should balance satisfying tourists and gaining economic benefits, with taking care of residents' QOL in order to gain their support for development. Additionally, the indicators and sub-constructs attributing to the residents' satisfaction with QOL could be varied. The variation could depend on features of each destination and demographics of the residents. Management and development strategies of each destination should be based on studying and taking into account its own local residents' perspectives. In case of the destination of the study, management policies would be to implement more environmental initiatives to meet the demands of its local residents. In other destinations where local residents are more concerned about tourism economical benefits, supporting local business to navigate more tourism revenue into local residents would be more important. More studies of the same topic at different destinations will help to understand how features of destinations can influence residents' perspectives in tourism.

References

- Andereck, K. L., & Nyaupane, G. P. (2011). Exploring the nature of tourism and QOL perceptions among residents. *Journal of Travel Research*, 50(3), 248-260.
- Andereck, K. L., Valentine, K. M., Knopf, R. C., & Vogt, C. A. (2005). Residents' perceptions of community tourism impacts. *Annals of Tourism Research*, 32, 1056-1076.
- Chen, J. (2001). Assessing and Visualizing Tourism Impacts from Urban Residents' Perspectives. *Journal of Hospitality & Tourism Research*, 25(3), 235-250.
- Emerson, R. M. (1976). Social exchange theory. *Annual Review of Sociology*, 2(1), 335-362.
- Hair, A. Tatham, & Black. (1998). *Multivariate data analysis*, 5th Edition, Prentice Hall, New Jersey.
- Kim, K., Uysal, M., & Sirgy, M. J. (2013). How does tourism in a community impact the QOL of community residents?. *Tourism Management*, 36, 527-540.
- Kumar, C., Sakthivel, R., & Ramanathan, H. (2013). Local residents perception and attitude towards model tourism village Kumbalangi Kerala. *Journal of Contemporary Research in Management*, 8(1), 59-67.
- Lankford, S. V., & Howard, D. R. (1994). Developing a tourism impact attitude scale. *Annals of Tourism Research*, 21(1), 121-139.
- Liang, Z. X., & Hui, T. K. (2016). Residents' quality of life and attitudes toward tourism development in China. *Tourism Management*, 57, 56-67.
- Lei, M., & Lomax, R. G. (2005). The effect of varying degrees of nonnormality in structural equation modeling. *Structural Equation Modeling*, 12(1), 1-27.
- Rivera, M., Croes, R., & Lee, S. H. (2016). Tourism development and happiness: A residents' perspective. *Journal of Destination Marketing & Management*, 5(1), 5-15.
- Schalock, R. L. (1996). *QOL: Conceptualization and Measurement*, Vol. 1. Washington, DC: American Association on Mental Retardation.
- Schumacker, R.E. and Lomax, R.G. (1996). *A beginner's guide to structural equation modeling*, Mahwah, NJ: Lawrence Erlbaum Associates, Publishers.
- Sirgy, M. J., & Cornwell, T. (2002). How neighborhood features affect QOL. *Social Indicators Research*, 59(1), 79-114.
- Spradley, J. P. (1976). "The Revitalization of American Culture: An Anthropological Perspective." In *Qualities of Life: Critical Choices for Americans*, Vol. 7, edited by E. J. Logue. Lexington, MA: Lexington Books, pp. 99-121.
- Taylor, S. J., & Bogdan, R. (1990). QOL and the individual's perspective. *QOL: Perspectives and Issues*, 27-40.
- UNWTO. (2018). 'Over tourism'? Understanding and Managing Urban Tourism Growth beyond Perceptions. Retrieved from <https://www.e-unwto.org/doi/pdf/10.18111/9789284420070>
- Uysal, M., Sirgy, M. J., Woo, E., & Kim, H. L. (2016). QOL (QOL) and well-being research in tourism. *Tourism Management*, 53, 244-261

- Wang, Y., & Pfister, R. E. (2008). Residents' attitudes toward tourism and perceived personal benefits in a rural community. *Journal of Travel Research*, 47(1), 84-93.
- Woo, E., Kim, H., & Uysal, M. (2015). Life satisfaction and support for tourism development. *Annals of Tourism Research*, 50, 84-97.
- Yoon, Y., Gursoy, D., & Chen, J. S. (2001). Validating a tourism development theory with structural equation modeling. *Tourism Management*, 22(4), 363-372. 631-645.
- Yu, C. P., Cole, S. T., & Chancellor, C. (2016). Assessing community quality of life in the context of tourism development. *Applied Research in Quality of Life*, 11(1), 147-162.