

# THE IMPACT OF TOURISM INNOVATION ON QUALITY OF LIFE OF RESIDENTS IN THE COMMUNITY: A CASE STUDY OF SUNGAI MELAKA

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## ABSTRACT

*This study investigates the level of awareness and determines tourism innovation impact to the quality of life (QOL) of residents. The main study aims that residents' of tourism innovation impacts (economic, social, cultural, and environmental) affects their satisfaction of particular life domains. Accordingly, the study proposed three major hypotheses: (1) tourism innovation impacts affects their QOL (economy) in the community, (2) tourism innovation impacts affects their QOL impacts affects their QOL (social) in the community. The sample population consisting of residents residing in Melaka River was surveyed. The sample was proportionally stratified on the basis of tourism development stages covering along the Melaka River form Kampung Pengkalan Rama to Taman Kota Laksamana. 282 respondents completed the survey. Frequency, t-test and correlation analysis were used to test the study. The results revealed that the residents' Quality Of Life effect to tourism innovation with particular life domains significantly, and their satisfaction with particular life domains influenced their overall life satisfaction. The results indicated that the relationship between the Tourism Innovation and Quality Of Life. The environment impact of tourism and the satisfaction with community well-being were strongest among the other factors to the residents in communities.*

**KEYWORDS:** *tourism innovation, quality of life, sungai Melaka, tourism and local community*

## 1.0 INTRODUCTION

Tourism is a major revenue earner for the Malaysian government, which has also invested significantly in the sector. The government has allocated RM1.8 billion in the Ninth Malaysian Plan for the 2006 to 2010 period. The allocation in the previous plans period (2001-2005) has been 700 million. The Malaysian government had set a target of 24.6 million tourist arrivals in 2010, while tourist receipts to reach RM59.4 billion that year. As Ap and Crompton (1993) stated that tourism is widely perceived as a potential economic base, providing elements that may improve quality of life (QOF) such as employment opportunities, tax revenues, economic diversity, festivals, restaurants, natural and cultural attractions, and outdoor recreation opportunities. There are concerns, however, that tourism can have negative impacts on quality of life. These can be in the form of crowding, traffic and parking problems, increased crime, and increased cost of living, friction between tourists and residents, and changes in hosts' way of life (Andereck, Valentine, Knopf & Vogt 2005).

The State of Melaka is currently on the course of rapid economic growth and development. The tourism industry in Melaka holds huge potential and has generated employment opportunities, more income for businesses and helped improve the livelihood of locals. With the present tagline in Melaka's tourism campaign being "Visiting Historical Melaka Means Visiting Malaysia, Melaka is highly optimistic of the tourist numbers and extrapolations indicate the number will reach 8.2 million by 2010.

To date, little is known about the effect of tourism impacts on the quality of life of residents in communities. Once a community becomes a destination, the lives of residents in the community are affected by tourism, and the support of the entire population in the tourism community is essential for the development, planning, successful operation and sustainability of tourism (Jurowski, 1994). Therefore, the quality of life (QOL) of the residents in a community should be a major concern for community leaders. Government planners and community developers should consider residents' standpoints when they develop and market recreation, travel, and tourism programs, and help residents realize their higher order needs related to social esteem, actualization, knowledge, and aesthetics.

## **1.1 Objectives of study**

- To investigate green technology tourism innovation affects quality of life (economy) around Sungai Melaka area.
- To investigate the structural dimensions affect quality of life (social) of tourism innovation development in Sungai Melaka.
- To investigate the sustainability affect quality of life (environmental) of tourism innovation development in Sungai Melaka

## **2.0 LITERATURE REVIEW**

### **2.1 Innovation In Tourism**

The innovation literature discriminates between product and process innovations. In order to enable these terms to be used appropriately about a service sector such as tourism and leisure, it has been found necessary to sub-divide the innovations into the following types: product innovations and management innovations. In product innovation, special interest tourism is reported by, for instance, Weiler, to be a growth sector, a fact that coincides with the presumed end of the era of mass tourism (sun, sand, sea ...).” The targeted consumer interests in specific types of attractions and activities involve the intensified use of the natural environment and a continued spatial spread.

### **2.2 Tourism and Local Community**

Any sustainable tourism programme must work in concern with stakeholders. Their participation in the planning and management process is important. Stakeholder can help managers to establish visitor conditions and set quantifiable standards for problem management and impact limitation. In this context, a stakeholder in the tourism industry is deemed to be anyone who is impacted on by development positively or negatively, and as a result it reduces potential conflict between the tourists and host community by involving the latter in shaping the way in which tourism develops (Swarbrooke, 1999; Bramwell & Lane 1999 cited in Aas, Ladkin & Fletcher, 2005).

The relationship between tourism and community can be considered using a model identifying four different stakeholder groups concerned with tourism within any locale (Bushell, 2001):

1. Government authorities who are responsible for the planning, resourcing and maintenance of basic municipal infrastructure.
2. The local business community, who derive an income from the operation of commercial enterprises.
3. The local community, who share their area with each other and with the visitors.
4. The visitors, who make tourism viable.

### **2.3 Impacts of Tourism**

Ap and Crompton (1998), in their effort to develop a reliable and valid impact assessment scale, revealed a 35-item tourism impact scale that helps monitor sustainable tourism development. However, the Inter-organization committee (1994) concluded that the Social Impact Assessment (SIA) practitioner should focus on the more significant impacts, use appropriate measures and information, provide quantification where feasible and appropriate, and present the social impacts in a manner that can be understood by decision makers and community leaders. In addition to investigations of scale development, scholars have facilitated discussions on the issues of perceived economic, social, cultural, and environmental impacts as a result of the presence of tourism.

#### **Economic Impacts**

Every study of resident perception of tourism impacts has included questions concerning economic factors. The studies demonstrate that tourism increases the standard of living of host residents (e.g., Var & Kim, 1990), and that tourism helps the host community and country earn foreign exchange (e.g., Ahmed & Krohn, 1992; Var & Kim, 1990). The vast majority of studies have focused on employment opportunities, standard of living, the revenue that a community derives from tourism activities, and cost of living. Tosun (2002), in his comparative study, noted that the residents from Urgup, Turkey; Nadi, Fiji; and Central Florida perceived employment opportunities as the positive tourism impact. Sheldon and Var (1986) found only moderate agreement with a statement which suggested that increases in tourism were the cause of increased prices of goods and services. Very few respondents perceived tourism as the cause of the high cost of living in Zambia (Husbands, 1989).

## **Social Impacts**

Tourism increases traffic congestion and crowdedness in the public area, and brings social problems. Tourism also contributes to social ills such as begging, gambling, drug trafficking, and prostitution, as well as the uprooting of traditional society, and causes deterioration of the traditional culture and customs of host countries (Ahmed & Krohn, 1992, Var & Kim, 1990). Tourism contributes to an undesirable increase in the consumption of alcohol, increased traffic congestion, and overcrowding because of visitors (Backman & Backman, 1997). However, tourism brings more opportunities to upgrade facilities such as outdoor recreation facilities, parks, and roads, but brings crowdedness in theaters, movies, concerts, and athletic events (Lankford & Howard, 1994).

## **Cultural Impacts**

Tourism has been charged not only with the debasement of socio-cultural factors but also with degradation of the environment. Comparable data suggest that residents found tourism to have a negative effect on the evolution of cultural traditions (Belisle & Hoy, 1980; Liu et al., 1987). However, Virgin Islanders exhibited consensus that tourists seem to respect local traditions and cultures and want to know more about them (Sethna & Richmond, 1978). Tosun, (2001) asked the residents in three areas, Urgup, Nadi, and Florida, about social relationships: 63% of residents in Urgup, Turkey, responded that they had no contact with tourists, while 35% of those in Nadi, Fiji, and 43% of respondents in Central Florida mentioned that they had no contact with tourists.

## **Environmental Impacts**

Some people believe that tourism helps create a greater awareness and appreciation for the need to preserve the environment to capture its natural beauty for tourist purposes, and increase investments in the environmental infrastructure of the host country (Var & Kim, 1990). Air pollution is primarily a result of emissions from vehicles and airplanes. In rural areas, air pollution due to tourism is minimal, but in congested areas, emissions harm vegetation, soil, and visibility. Water resources are a prime attraction for tourism and recreational developments, and they frequently suffer negative impacts (Andereck, 1995). The tourism industry produces large quantities of waste products. Hotels, airlines, attractions and other related businesses that serve tourists throw away tons of garbage a year.

### 3.0 METHODOLOGY

The research design is the overall plan for relating the conceptual research problem to relevant and practicable empirical research. The goal of this descriptive study is to identify the perceived impacts of tourism innovation by residents around Sungai Melaka. Throughout the study, both primary and secondary data sources were used. The primary data will be made through conducting a survey through questionnaire regarding service quality. The secondary data was collected through books (library research), journals, articles, websites and other sources that related to the research. In this study, the population of the survey is the community around the Sungai Melaka area.

The researcher has distributed to 500 respondents in the community around the Sungai Melaka area to cover the objective of the study. Areas covered are: Kampung Pengkalan Rama, Kampung Morten, Kampung Banda Hilir, Kampung Ulu, Kampung Pantai, Kampung Jawa and Taman Kota Laksamana. After taking into considerations all the input from the pilot survey, an actual survey was conducted by trained enumerators and lasted for three months. Finally, out of 500 questionnaires distributed, researcher received 282 questionnaires returned and used of the final analysis. However based on Sekaran (2003), the total number of questionnaires returned is considered sufficient for data analysis.

#### Theoretical framework

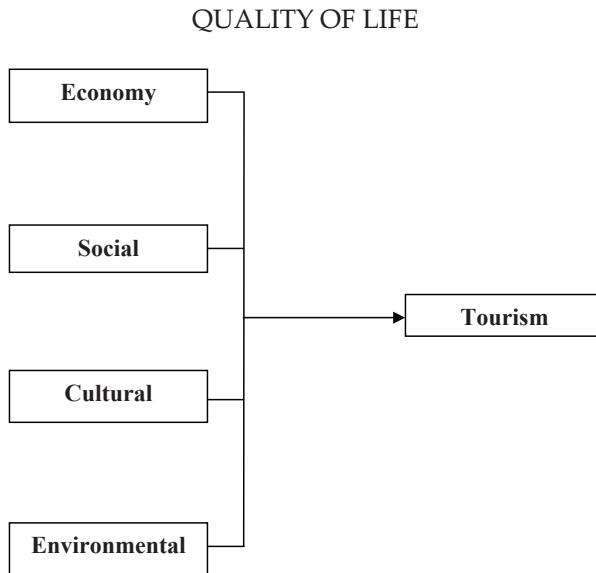


Figure 1: Theoretical Framework adapted from Ap and Crompton's Framework (1998)

## Data collection

In this study, perceived impacts of tourism by local residents around Sungai Melaka were assessed by using the tourism impact scale develops by Ap and Crompton (1998). This scale originally consisted of 35 items and assessed tourism impacts by measuring both belief and affect towards the impact attributes. Overall, for this study, the questionnaire will consist of two parts.

## Data analysis

This paper has applied certain method in order to analyze the data collected. The method used was The Statistical Package for Social Science (SPSS) 16.0 will be used to tabulate the data gathered from the research questionnaire. Descriptive analysis was used to summarize the demographic background of respondents, followed by examining the t-test analysis and correlation analysis.

## 4.0 FINDINGS AND DISCUSSIONS

The data presents according to research objectives. Out of 500 questionnaires distributed, researchers received 282 questionnaires returned and used of the final analysis. The questionnaires were distributed from November 2009 to March 2010 to residents surrounding Sungai Melaka areas.

### 4.1 Profile of Entrepreneurs

Table 1 below shows the profile of 282 respondents involved in the survey. The majority of respondents are males of 42.9% while females are 57.1%. Common respondents aged are 41-50 years old accounted for 54.6%. Most respondents are married (91.5%) with educational level are diploma holders of 31.9% followed by secondary/high school of 31.2% and occupancy as government employees (44%) with annual income of RM 36,001 RM 60,000(34.4%) and length of residency of more than 16 years (48.2%).

Table 1: Profile of entrepreneurs

Descriptions		Frequency	Percent
Gender	Male	121	42.9
	Female	161	57.1
	Total	282	100.0

Age	18 - 30 years old	29	10.3
	31 - 40 years old	73	25.9
	41 - 50 years old	154	54.6
	51 and above	26	9.2
	Total	282	100.0
Education	Secondary / High School	88	31.2
	Diploma	90	31.9
	Degree	81	28.7
	Master & PhD	23	8.2
	Total	282	100.0
Marital Status	Single	24	8.5
Occupation	Married	258	91.5
	Total	282	100.0
	Government Sector	124	44.0
	Private Sector	78	27.7
	Business / Self Employed	65	23.0
	Retiree	15	5.3
	Total	282	100.0
Annual .Income	Below RM12,000	24	8.5
	RM12,001 - RM36,000	95	33.7
	RM36,001 - RM60,000	97	34.4
	RM60,001 and above	66	23.4
	Total	282	100.0
Length of Residency	Less than 5 years	36	12.8
	5 - 10 years	48	17.0
	11 - 15 years	62	22.0
	More than 16 years	136	48.2
	Total	282	100.0

Additionally, figure 3 shows the crosstabulation between marital status and entrepreneurial experience. It shows that most respondents are married and having entrepreneurial experience of 11-20 years. Crosstabulation of business registration status and age of present business are presented in figure 4 below. Majority of respondents are having business registration status of sole proprietorship with 41 respondents in total. 14 respondents are having business for 5-10 years, 10 respondents are having business of less than 5 years and also 11-



20 years. Few of respondents having business for more than 20 years as the result only show 9 respondents with seven of them are sole proprietorship.

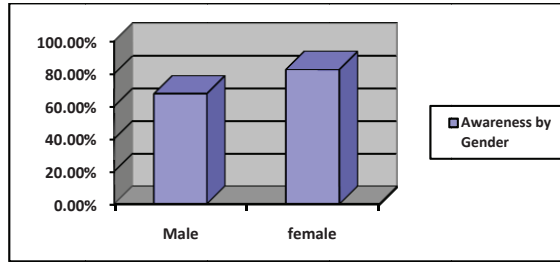


Figure 2: Crosstabulation of awareness of innovation in tourism by gender

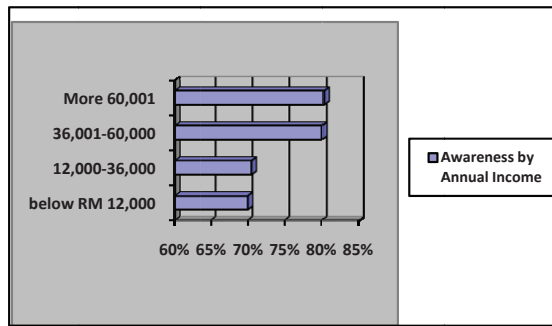


Figure 3: Crosstabulation of awareness of innovation in tourism by annual income

#### 4.2 T-test Analysis

The result of the test is shown in table 2. It can be concluded that there is a significant different of awareness of the tourism innovation ( $P \leq 0.05$ ). In this study indicates that respondents awareness of the tourism innovation is participate in the tourism development planning.

Table 2: t-test Analysis

		Awareness of the tourism innovation	
		Equal variances assumed	Equal variances not assumed
Leven's test for Equality of Means	F	32.820	
	Sig.	0.000	
t-test for Equality of Means	t	2.932	2.846
	df	280	226.293
	Sig. (2-tailed)	0.004	0.005
	Mean Difference	0.148	0.148
	Std. Error Difference	0.051	0.052
	95% Confidence interval Lower	0.049	0.046
	95% Confidence interval Lower	0.248	0.251

### 4.3 Correlation Coefficient Results

Table 3 below illustrates the correlation relationships between the four variables of awareness of tourism innovation. There are: economic impact, social impact, cultural impact, and environment impact.

Table 3: Correlation between independent variables

	Tourism Innovation	Economic Impact	Social Impact	Cultural Impact	Environment Impact
Tourism Innovation	1				
Economic Impact	.418**	1			
Social Impact	.122*	-.008	1		
Cultural Impact	.369**	.345**	.356**	1	
Environment Impact	.493**	.378**	-.113	.262**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

It can be seen that there are mostly positive correlation relationships between the entire variable except the correlation of economic impact and social impact with the correlation coefficient is at -0.008 and correlation of social impact and environment impact with the correlation coefficient is at -0.113. The highest positive correlation occurs between tourism innovation and environment impact (0.493), followed by tourism innovation and economic impact (0.418). The positive linear relationship will cause an increase in one variable of the other is increased.

Table 4: Correlation between Quality of Life and Tourism Innovation

	Quality of Life	Tourism Innovation
Quality of Life	1	0.572**
Tourism Innovation	0.572**	1

Table 4 above illustrates the correlation relationships between quality of life and tourism innovation. It can be seen that there is a positive correlation relationship between quality of life and tourism innovation with the correlation coefficient is at 0.572.

## 5.0 SUMMARY AND MAIN FINDINGS

Over the past few decades, tourism has come to be viewed as the key to economic development. Melaka Government take the challenge to develop the Melaka River become the tourism innovation. After doing survey and analysis with SPSS, the results has summarizes are as followed. The level of awareness of the residency of the community along Melaka River find with the frequency, t-test and crosstabs analysis. From the t-test and crosstabs we found the positive results with the different groups.

From the Correlations Analysis we can find the positive relationships between the innovations of Melaka River with the quality of life residents along the Melaka River. SPSS analysis we look the Pearson Correlation value and compare to the Guilford Table. From the correlations principle if p value = 0.001 is under the alpha value 0.05, means have the relationships with dependent and independents variable. We find this is positive relationship. Refer to Pearson Correlation ( $R = 0.572$ ) and Guilford table we can know the strenuousness of the correlations. For the overall the conclusion  $R = 0.572$ , in the area 0.40 to 0.70. We have the medium correlation between TI and QOL and find this is positive relationship.

The results of this study indicated that when residents in the community were asked to reveal tourism impacts, they assessed the perception of tourism impact in both negative and positive ways (from the unidimensionality check for each individual sub-dimension, all sub-dimensions for each tourism impact were significant), but when their tourism impacts were perceived in relation to their life satisfaction, their positive perceptions were strong with regard to the economic, social, and cultural impact of tourism, but negative perceptions were strong regarding the environmental impact of tourism.

The relationship between the environmental impact of tourism and the satisfaction with health and safety well-being increased in the growth stage of tourism development, decreased in the maturity stage of tourism development, and peaked in the decline stage of tourism development. However, the results of this study revealed that the overall measurement for the cultural impact of tourism was statistically significant only when it consisted of positive perception indicators, such as meeting tourists from all over the world or cultural exchange between residents and tourists, which was deemed valuable for the residents.

For the conclusion, overall the findings of this study indicate that there is a positive relationship between the impact of tourism innovation and a particular Quality Of Life, meaning that as residents' have positive impacts of tourism innovation increases, their satisfaction in economic, social, environment, culture increases too; and that residents' increased satisfaction influences their overall life satisfaction.

Future research can better explain whether residents who felt their overall life condition increased because of tourism did actually support tourism. Furthermore, the future study is needed to resolve the question community through all development stages of tourism; the study is able to give an exact answer or to confirm the results of present study about the moderating effect of tourism development stage on the relationship between tourism impact and particular life domains. In that case, the study can also answer if these same factors play a similar role in determining perceptions of the impacts and attitudes toward support for tourism in communities where tourism is more fully developed.

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