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#### Host Residents' Perceptions and Attitudes toward an Event

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# ABSTRACT

This study investigates the structural relationship among perceived impacts, benefit perceptions, and supports for the event. Local residents in the Black Hills area in South Dakota, where the Sturgis Motorcycle Rally is held, were invited to participate in the study. A total of 190 responses were collected using convenience sampling and structural equation modeling was performed to identify the relationship. The findings indicate that the perceived positive impact significantly affects both benefit perceptions and supports while perceived negative impact is not a significant predictor of residents' benefit perception. In order to maximize community supports, it is recommended that event organizers emphasize on positive economic impacts.

Key words: event, host resident, perceived impact, benefit perception, support

# **INTRODUCTION**

Events have increased significantly in scale in recent decades and have become one of the popular attractions in tourism (Jones, 2012). A successful event is not possible without local residents' support; therefore, understanding of host residents' perception of impacts has been considered the core precedent to a successful event (McGehee & Andereck, 2004; Perdue, Long, & Allen, 1990). The purpose of this study, therefore, is to assess relationships among host residents' perceived impacts, benefits and supports of an event, Sturgis Motorcycle Rally, which is held annually in South Dakota.

#### LITERATURE REVIEW

Among substantial amount of tourism impact research, the assessment of economic impact has been the primary consideration (Liu, Sheldon, & Var, 1987). More recently, researchers started to apply a multidimensional approach (i.e., economic, social, and environmental impact) for better understanding of residents' perceptions on tourism development and event (Andriotis & Vaughan, 2003; Cavus & Tanrisevdi, 2003; Chen, 2001; Liu & Var, 1986). These factors have both negative and positive aspects (Chhabra & Gursoy, 2007; Lee, Kang, Long, & Reisinger, 2010; Perdue, et al., 1990; Pizam, 1978). Residents support has been found to be primarily determined by perceived impacts and benefits and

numerous studies examined the relationships of impacts, benefit and support (Kang, Lee, Yoon, & Long, 2008; Lee & Back, 2003; McGehee & Andereck, 2004). This study's theoretical framework is developed based on the Social Exchange Theory (SET). Hormans (1958) first developed social exchange theory to explain the social behavior of humans in economic undertakings by incorporating economics, psychology, and sociology. SET posits that all human relationships are based on a subjective cost-benefit analysis and the comparison of alternatives (Homans, 1958). SET has been a dominant theoretical framework in many studies of tourism impacts. For example, SET explains that the residents could change their support for tourism depending on how they perceive impacts and benefits (Ap, 1992).

## METHODOLOGY

Local residents in the Black Hills area in South Dakota, where the Sturgis Motorcycle Rally is held, were invited to participate in the study. A total of 190 responses were collected using convenience sampling. The survey was distributed in various places, such as, public libraries, parks, and recreation centers. A total of 18 perceived impact items was selected from the previous studies and revised in accordance with the study setting. In addition, four benefit items (Lee, et al., 2010) and four support items (McGehee & Andereck, 2004) were adopted from the previous studies. All questions were measured on a 5-point Likert scales ranging from 1=Strongly Disagree to 5=Strongly Agree except socio-demographic-related questions.

# DATA ANALYSIS AND RESULTS

The measurement model, including seven constructs and 25 measurement items, was assessed for the measurement quality. Initial analyses suggested that five items have low loadings (below .60), and they were dropped from further analysis. Measurement items remaining were all statistically significant, and average variance extracted (AVE) was higher than the suggested value of .50, demonstrating convergent validity. Construct reliability for all constructs exceeded .70. Discriminant validity was also evaluated by comparing AVE values for the constructs with the squared correlations between the constructs and the results show that all AVE values are greater than the squared correlations (Fornell & Larcker, 1981). Except Chi-square fit ( $\chi^2 = 253.57$ , df = 148, p < .001), the final measurement model yielded a good fit to the data: The root mean squared error of approximation (RMSEA) = .06; the Tucker-Lewis index (TLI) = .92; the comparative fit index (CFI) = .94. The structural estimates were assessed by the maximum likelihood estimation. Fit indices indicated the data fit well to the proposed structural model (RMSEA = .06; TLI = .93; CFI = .94). The firstorder factors (negative economic, social and environmental impact and positive economic and social impact) were well related with the second-order factors (negative impact and positive impact, respectively). The perception of negative impact had no significant effect on residents' perceived individual benefit ( $\beta = -15$ , t = -1.55, p > .05). The perception of negative impact, on the other hand, had a strong, negative effect on community support ( $\beta = -$ .43, t = -5.61, p < .001). As predicted, the perception of positive impact had strong effects on perceived benefit and community support ( $\beta = -.29$ , t = 3.09, p < .001;  $\beta = .47$ , t = 5.81, p < .001). Finally, residents perceived individual benefit positively affected community support  $(\beta = .22, t = 3.08, p < .01)$ . The positive impact overall explained 12.5% of variance in residents' individual perceived benefit. In turn, 66.1% of total variance in community support was explained by negative impact, positive impact, and perceived benefits.

#### **DISCUSSION AND IMPLICATIONS**

The findings indicate that the perceived positive impact significantly affects both benefit perceptions and supports while perceived negative impact is not a significant predictor of residents' benefit perception. It seems that residents tend to be insensitive toward the negative impacts, since Sturgis rally event has been held annually for 75 years, residents might be already aware of the possible inconvenience and other negative impacts or their tolerance level might be higher than who live in an area hosting a temporal event. Further, it might be hard residents to reject this type of voluntarily established event, so the residents' attitudes may not mean significantly. Therefore, it is recommended that event organizers distribute the news stressing on positive economic impacts in order to maximize community supports. In addition, event organizers may emphasize both the overall positive impacts of such events and specific benefits for residents.

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