DEVELOPING SUSTAINABLE BUSINESS STRATEGIES IN TOURISM INDUSTRY

Radhika.P.C*  Dr.Johny Johnson**

* Research Scholar, School of Management and Business Studies, Mahatma Gandhi University, Kottayam, Kerala.
**Assistant Professor, School of Management and Business Studies, Mahatma Gandhi University, Kottayam, Kerala.

Abstract
Tourism is a multifaceted industry which is the amalgamation of different industries. The successful development of this industry needs the coordination and integration of different stakeholders of tourism. Among the different stakeholders, the resident community is the major contributor to the sustainable development of tourism because they are the one mostly affected by the development of tourism. So their support for tourism development is inevitable for ensuring sustainability and the present explains the different factors which influences the resident community support through a structural equation model. The sampling technique used was the multistage sampling method. Accordingly a total of 800 households were selected. The analysis was done using SPSS (ver21) and AMOS (ver 20). The four variables namely Perceived role of government, Perceived costs of Tourism, Perceived benefits of tourism and Overall community satisfaction were identified which determine the Community Support of development of Tourism. The model developed clearly states how the different variables affect the community support for tourism development. The main contribution of the study is the inclusion of the variable the Perceived role of government. The study suggests that for ensuring sustainable development, the Kerala government has to adopt community support tourism models. The study also suggest that the government’s role in building community support for tourism development is pivotal and the different impacts of tourism industry (both benefits and costs) and their overall satisfaction with the tourism industry are the mediating factors which influence the relationship between government and community. The study suggests that the Perceived benefits of tourism and Perceived role of government strongly affect the community support.

Keywords: Community support, Perceived impacts of tourism (benefits and costs), perceived role of government, overall community satisfaction.

Introduction
Tourism, an activity to escape from the routine life situations, has now become one of the most important economic activities of the modern world. This industry acts as a motivation tool which helps to rejuvenate people by providing them an opportunity to experience the beauty of different places, to mingle with different people and to experience different life situations. It is not only provides socio-cultural and educational benefits to people, but also provides economic benefits to the host country. Hence developing country like India promotes tourism as a means of attaining economic growth. Tourism is a multifaceted industry which is the amalgamation of different industries. So the successful development of this industry needs the coordination and integration of different stakeholders of tourism. The important stakeholders of tourism development are the tourists, the tourism industry, the resident community and the Government and its agencies (Peter E & Ann E, 2006). Among the four stakeholders, the resident local community is the main factor which influences the tourist satisfaction, as the tourists arrive to experience the different life styles of people, their different culture etc (Aref, Gill & Aref, 2010). The cultural differences among people are one of the major factors which differentiates one place from the other and it also acts as the main factor which attracts the tourists to that place. The resident community is the main contributor to this difference. Thus, among these four stakeholders, the resident community is an important one which contributes to tourist satisfaction. According to the tourism academicians, the best way to ensure sustainable development is by promoting community-based tourism developments (Sebele, 2010 ; Taylor, 1995 ). The active support of the resident population determines the success and the sustainability of any tourism development. It is hence important to assess the resident community support for tourism development. The present study is based on two objectives. First objective is to understand the important factors which determine the resident community support for tourism development and second is to understand how these factors influence the resident community support through a structural equation model.

Resident Community Support for Tourism Development
Community support is an important area in tourism literature, but before going into deep of the term community support and its determining factors, it is important to define the term ‘community’. The New Oxford Intermediate Learner’s dictionary (2000) defines the word community in three different ways. First, the word ‘community’ means that ‘all the people who live in a particular place, area etc when considered as a group’. Second ‘a group of people who have something in common’ and thirdly ‘the feeling of belonging to a group in the place where you live’. Though the dictionary gives a general view about what the word ‘community’ means, it is not specific enough to achieve our purposes. After considering the dictionary definitions and the definitions given by various scholar’s the present study defines resident community as “Resident community comprises of local residents who were employed in tourism related business as well as those who were not, with...
the focus on those who were 15 years old or older and are those who live and support social and economic activities in tourist destinations and are also affected by tourism development in their communities.”

**Community Support for tourism development**

A model of resident community support for tourism development was developed by Gursoy, Jurowski and Uysal (2002) and the findings revealed that the perceived costs and the benefits of tourism determine the host “community support for tourism development”. The study also used the constructs namely “the level of concern”, “eco centric values” and “the utilization of resource base” to explain the host “community support for tourism development”. Abdool (2002) in his study identified the major variables which affect the support for tourism development and the identified variables were the personal benefits from tourism, the community attachment and the socio-environmental impacts of tourism. Another study by Gursoy and Rutherford (2004) found that the resident community support was directly and/or indirectly affected by nine factors and these factors were namely “the level of community concern”, “co centric values, the state of the local economy”, “utilization of tourism resource base”, “community attachment”, “social benefits”, “social costs”, “economic benefits” and “cultural benefits”. The study of Dyer, Gursoy, Sharma and Carter (2007) found that the factor “perceived positive economic impact” has got the greatest effect on residents’ support for future tourism development.

Nunkoo and Ramkissoon (2011) in their study developed a model of community support based on the social exchange theory and the results indicated that support was influenced by the factors “perceiving benefits”, “perceived costs” and “community satisfaction”. The study found that the influencing factors for perceived benefits of tourism were “community satisfaction”, “institutional trust”, “power to influence tourism” and “neighbourhood conditions”. The result of the study also showed that the “perceived cost” of tourism was unaffected by the “community satisfaction” and “neighbourhood conditions” and the “power to influence tourism” has got no significance upon the “community satisfaction”.

Community support for tourism development was studied in an island of Mauritius by Nunkoo and Gursoy (2012). The “social exchange theory” and the “identity theory” formed the theoretical basis for the study. The study proposed a model which explained the support and tourism impacts using the variables like “the resource-based occupational identity”, “environmental identity”, and “gender identity” of the residents. The study also found that Residents with high environmental identity (eco centric attitudes) were likely to be less supportive of development suggesting that the tourism authorities has to take strong measures to minimize environmental impacts of tourism development. Using the “social exchange theory” as the basis Nunkoo and Ramkissoon (2012) had developed a community support model. The main contribution of the study was the inclusion of the variables “the trust” and “power” in the model. The present study identifies “Perceived Costs of Tourism”, “Perceived Benefits of Tourism”, “Perceived role of Government” and “Overall Community Satisfaction” as the major variables which affect the “Support for tourism development”.

**Perceived Role of Government**

Many scholars argued that the government has got a pivotal role in the tourism development process (Bramwell, 2011; Hall, 1994) and the tourism industry is controlled by the various sub departments and other supporting organizations of the government (Elliot, 1997). The main reason behind this government intervention in tourism development is because of political, economic, social, cultural and environmental concerns (Nyaupane & Timothy, 2010). The government intervention in the development helps to achieve a balance between reaping economic benefits and achieving environment sustainability. Thus the government involvement in tourism development will ultimately results in gaining political support for tourism development (Bramwell, 2011). While considering the situation in India as well as in Kerala where the government has got primary influence on governance and on policy-making for sustainable tourism, there is a need for further research by including the perceived role of the government to explain the “community support for tourism development”. So based on the literature the following hypotheses are proposed.

H1: There is a direct negative relationship between Perceived Role of Government and Perceived Cost of Tourism.
H2: There is a direct positive relationship between Perceived Role of Government and Perceived Benefits of Tourism.
H3: There is a direct positive relationship between Perceived Role of Government and Overall Community Satisfaction.
H4: There is an indirect effect of Perceived Role of Government and Community Support.
H5: There is a direct positive relationship between Perceived Benefits of Tourism and Community Support.
H6: There is a direct positive relationship between Perceived Benefits of Tourism and Overall Community Satisfaction.
H7: There is a direct negative relationship between Perceived Cost of Tourism and Community Support.
H8: There is a direct negative relationship between Perceived Cost of Tourism and Overall Community Satisfaction.
H9: There is a direct positive relationship between Community Satisfaction and Community Support.
**Study Location and Sample:** The sample unit for the study was taken as a person who is residing at a tourist destination in Kerala with an age of 15 years or more and is affected by the tourism development activities. The total sample size taken was 800. The sampling technique used was the multistage sampling method. At the first stage of sampling, districts which contribute more than 5% to the total tourist flow as per the Kerala tourist statistics 2010 were selected and accordingly 5 districts were selected. The selected districts were Thrivananthapuram, Alappuzha, Kottayam, Ernakulam and Idukki. At the second stage, from each district, destinations which contribute more than 20% to the total district tourist flow (Department of tourism Kerala, 2010) were selected. Thus a total of 8 destinations were selected and the selected destinations were Thrivananthapuram city, Kovalam, Alappuzha, Kumarakom, Munmar, Thekkady, Fort Kochi and Cochin city. At the third stage, from the destinations 24 wards were selected where the tourism is actively promoted. At the fourth stage, from the wards selected, based on the total number of households, samples were drawn using random sampling approach. Thus a total of 800 households were selected. The analysis was done using SPSS (ver21) and AMOS.

**Measurement of Constructs**
All the items in the questionnaire were measured on a five point Likert scale. The perceived benefits of tourism was measured using 11 items and 14 items were used for measuring the perceived costs of tourism. The items were measured on a five point scale, where 1 represented ‘strongly disagree’ and 5 ‘strongly agree’. The same scale was used to measure perceived role of government (16 items) and community support for tourism development (6 items). 11 items were used to measure the overall community satisfaction on a five point scale where 1 represented ‘very dissatisfied’ and 5 represented ‘very satisfied’.

**Study Results**
**Sample Characteristics:** A total of 800 respondents were analyzed and out of it, four hundred twenty four (53%) respondents were female while the rest were male (47%). The majority of the sample were belongs to the age group 30-40 (24%) followed by 40-50 (22.4%), 20-30 (21.1%) and so on. The sample was dominated by those who studied up to graduate level (33%), followed by respondents studied up to 12th (26.9%), 10-12th level (25.5%), post graduate (12%) etc. 57.5% of the respondents were married and 49.1% were native of the destination where they are staying. 51.3% were not employed in tourism sector and rest were (48.8%) employed in tourism related job. 22% of the respondents received lot of money from the tourism sector, followed by 15.6% received some income and 45.8% received none income from tourism sector.

**Modeling Process**
The study used the following steps to develop a model of community support.
- In order to understand the underlying constructs measuring ‘Perceived benefits of tourism’, ‘Perceived cost of tourism’, ‘Perceived role of government’ and ‘Overall community satisfaction’, an exploratory factor analysis(EFA) was performed.
- Then the attributes were examined by using Cronbach reliability (Cronbach & Meehl, 1955);
- Then the constructs were validated by using Confirmatory Factor Analysis(CFA) and
- The theoretical model proposed was tested to examine the relationships between the constructs. The data were analysed using AMOS ver 20.0. The parameters of the models were estimated by maximum likelihood method.

**Results**
The Factor Analysis derived the following latent factors for the dimension. The reliability coefficients for the all the latent constructs involved in this study were calculated. Cronbach’s Alpha was found out for each construct. The following table gives the factors derived and the reliability values. Table1.

**Table1: Reliability Coefficients for constructs used in the study (resident community)**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Constructs</th>
<th>Number of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Perceived Role of Government(PrG)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Community Developer</td>
<td>5</td>
<td>0.9148</td>
</tr>
<tr>
<td>2</td>
<td>Community Participation</td>
<td>6</td>
<td>0.8827</td>
</tr>
<tr>
<td>3</td>
<td>Controller of Tourism Cost</td>
<td>5</td>
<td>0.8528</td>
</tr>
<tr>
<td>II</td>
<td>Perceived Benefits of Tourism(PBT)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Economic and Cultural Benefits</td>
<td>7</td>
<td>0.9557</td>
</tr>
<tr>
<td>5</td>
<td>Welfare Benefits</td>
<td>4</td>
<td>0.8265</td>
</tr>
<tr>
<td>III</td>
<td>Overall Community Satisfaction (OCS)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The research model proposed consisted of 5 dimensions and these five dimensions together try to establish a tourism model interrelating them and the factors involved in them. The research model proposed to explain that the Perceived role of government as an independent variable, explains the relationship in the endogenous (dependent) factors, Perceived cost of tourism, Perceived benefits of tourism and Overall community satisfaction in the development of tourism. Also, the research model explains the mediation roles played by these three dimensions, while explaining the relationship between Role of Government and Community Support.

Confirmatory Factor Analysis (CFA) was adopted to validate the constructed scales developed for these four dimensions except Community Support, each dimension measuring 2 or 3 latent constructs. The first step was to consider the fitting of the measurement model for each of the latent factor of 4 individual dimensions. After checking whether the measurement models were good representation of the respective domains individually, a second-order factor model was developed. The second order model was developed to test whether the hypothesized higher order factor accounted for the relations among lower order factors. This further simplified the interpretations of complex structures of the first-order model. The last step was to test for the fitting of the second order factor model to assess whether the overall second order factor model was well captured by the underlying factors. The adequacy of the model fit was arrived at based on the chi-square test statistics (given as CMIN in AMOS), that tests whether the population covariance matrix equals to the model-implied covariance matrix. A significant result indicates a poor fit (P <0.05) while a non-significant test result indicates that model fit is good. That is the model fits the data well. However the chi-square test statistic is sensitive to the sample size that it tends to give highly significant results in the cases with moderate to large sample size. Hence, apart from chi square test other goodness-of-fit statistics are also considered, namely, the ratio of the chi-square value to its associated degrees of freedom (CMIN/DF), Root Mean Square Error of Approximation (RMSEA), Goodness-of-Fit Index (GFI), Comparative Fit Index (CFI), and Normed Fit Index (NFI). For a good model fit, the ratio $\chi^2 / df$ should be as small as possible ($\chi^2 / df < 3$), RMSEA should have a value 0.05 or below. The GFI, CFI and NFI should have values above 0.95. However, the $\chi^2 / df$ value between 3 and 5, RMSEA between 0.05 and 0.08, GFI, CFI and NFI between 0.90 and 0.95 can be considered as an acceptable model fit.

The first order and second order confirmatory factor models were built and the fit indices were within the accepted range for all the five dimensions. After attaining an acceptable level of fit with the measurement models for Perceived role of government, Perceived benefits of tourism, Perceived cost of tourism, Community Satisfaction and Community Support, the data were used for construction of full scale structural model which was based on Hypotheses H1 to H9. For the final model, the fit statistics indicate that the CMIN value is 4.291 which is less than the limit of 5. The RMSEA (0.046) value is also found to be satisfying the condition of less than the maximum admissible value of 0.08. The three goodness of fit indices namely GFI, NFI and CFI were above 0.90 which indicate that the model is an acceptable one and the final model developed is shown in following fig.1.
Thus the full scale structural equation model developed helped to examine the effect of PRG as independent variable on PBT, PCT and OCS.

The standardized regression weight shows that Perceived role of government is positively related with Perceived benefits of tourism and also with Overall community satisfaction, but has negative relationship with Perceived cost of tourism. Perceived benefits of tourism is found to have positive relationship with Community Support, whereas, Community Satisfaction and Perceived cost of tourism are found to have negative relationships with Community Support. The unstandardised regression weights are given below in Table 2.

<table>
<thead>
<tr>
<th>Variable Name</th>
<th>Variable Label</th>
<th>Parth Direction</th>
<th>Variable Name</th>
<th>Variable Label</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>Prob</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBT</td>
<td>Perceived Benefits of Tourism</td>
<td>&lt;---</td>
<td>PRG</td>
<td>Perceived Role of Government</td>
<td>.659</td>
<td>.045</td>
<td>14.716</td>
<td>**</td>
</tr>
<tr>
<td>PCT</td>
<td>Perceived Cost of Tourism</td>
<td>&lt;---</td>
<td>PRG</td>
<td>Perceived Role of Government</td>
<td>-.451</td>
<td>.039</td>
<td>-11.624</td>
<td>**</td>
</tr>
</tbody>
</table>
The model estimation results show that there is a direct negative relationship between Role of Government and Perceived cost of tourism which is found to be significant at 1% level. Hence the hypothesis no.1 (H1) that ‘There is a direct negative relationship between PRG and PCT’ is accepted.

The table 2 further shows that the regression weight of PRG on PBT is .659 which is found to be significant at 1% level. It says that PRG as such does have a significant influence on PBT. There is a positive relationship between PRG and PBT. The regression result shows that the direct effect of PRG holds and hence the hypothesis H2 that, ‘There is a direct positive relationship between Perceived role of government and Perceived benefits of tourism’ holds and hence the hypothesis is accepted.

It is further seen that there is direct positive relationship between Perceived role of government and Overall community satisfaction (regression weight being 0.401) and has become significant at 1% level. Hence the hypothesis H3 that ‘There is a direct positive relationship between Role of Government and Overall community satisfaction’ is accepted.

The indirect effect of PRG on CS was found to be positive (0.897). When PRG goes up by 1, CS goes up by 0.897. This is higher than the combined effect of PRG on OCS and OCS on CS. Hence the hypothesis H4 ‘There is an indirect effect of PRG on CS’ is accepted.

The regression weight of PBT on CS is 1.521 which is found to be significant at 1% level, shows that there exists a direct positive relationship between PBT and CS and hence the hypothesis H5 being ‘There is a direct positive relationship between Perceived benefits of Tourism and Community Support’ is accepted.

The regression weight of PBT on OCS is .344 which is found to be significant at 1% level, shows that there exists a direct positive relationship between PBT and OCS and hence the hypothesis H6 ‘There is a direct positive relationship between Perceived benefits of tourism and Overall community satisfaction’ is accepted.

Increased negative perception towards Perceived cost of Tourism will create tourism less impressive and hence apprehensive of Community Support. Based on this, the model was developed. The model estimation shows in favour of this assumption. The model results show that the regression weight of PCT on CS is –0.142 which is found to be significant at 1% level. Hence the hypothesis H7 that ‘There is a direct negative relationship between Perceived cost of tourism and Community Support’ is sustained and accepted.
When the community is apprehensive about Perceived cost of tourism, then the Overall community satisfaction will tend to have negative effect. It is hypothesized in this study that when the community is more disagreeable towards Perceived cost of tourism, then the agreement level of Overall community satisfaction would go down. Based on this assumption, the hypothesis no.9 was postulated. The model result shows that the regression weight of PCT on OCS is -0.017 which is found to be not significant. However, this goes in line with the assumption but the hypothesis H8 that ‘There is a direct negative relationship between Perceived cost of tourism and Overall community satisfaction’ could not be held since the relationship was found to be not significant.

It has been assumed that there is a direct positive relationship between Overall community satisfaction and Community Support based on the knowledge that increased community satisfaction will involve more Community Support. But, the model results establish that there is direct negative relationship between Community Satisfaction and Community Support with the regression weight being negative (-0.266) and found to be significant at 1% level. Hence the hypothesis H9 that ‘There is a direct positive relationship between Community Satisfaction and Community Support’ is rejected.

Discussion of the Findings

The main aim of the study was to develop a model for tourism for the state of Kerala. Tourism academicians seem to have achieved an agreement on the view that community-based tourism development is the best tool for ensuring sustainable development of the destination (Sebele, 2010; Taylor, 1995). Thus community-based tourism development has evolved as an important tool for sustainable development. The active support of resident's population determines the success and the sustainability of any tourism development. The four variables namely Perceived role of government, Perceived costs of Tourism, Perceived benefits of tourism and Overall community satisfaction were identified which determined the Community Support of development of Tourism. The model developed clearly states how the different variables affect the community support for tourism development. Perceived role of government is assumed to have direct effect on Perceived cost of tourism, Perceived benefits of tourism and Overall community satisfaction. Further Perceived role of government is assumed to have indirect effect on Community support and the factors, Perceived cost of tourism, Perceived benefits of tourism and Overall community satisfaction are assumed to mediate the effect of Perceived role of government on Community support. The Perceived role of government was explained by three factors namely ‘Community developer’, ‘Community participation’ and ‘Controller of tourism cost’. This indicates that according to the resident community at the destinations the government has got three roles to play in order to encourage them to support tourism development. The government has to firstly ensure the community participation in tourism development process and secondly the government itself will have to act as an agent for community development and thirdly the government should play a key role as the controller of tourism cost. If the government is active in performing these three roles, it results in better support from resident community for tourism development. But the effect of the Perceived role of government on community support is mediated by different other variables. Apart from the Perceived role of government, another major variable which affects the resident community support was the perceived impacts of tourism which includes both positive and negative impacts. The reviews show that residents’ support is based on their evaluations of the benefits and costs resulting from the industry. The Perceived cost of tourism was explained by three factors namely ‘Socio-environment cost’, ‘Socio-cultural cost’ and ‘Socio-economic cost’. Perceived benefits of tourism was explained by two factors namely ‘Economic and cultural benefits’ and ‘Welfare benefits’. Thus in the view of resident community the impacts of tourism has five sub dimensions in total including three negative and two positive. The Perceived benefits of tourism have got a direct positive relation with the community support, whereas the Perceived cost of tourism has got a negative relation with community support. The overall community satisfaction also acts a major determinant of residents’ support and the reviews suggests that it can be taken as a good predictor of community responses to development.

In the final model it was seen that there exist a significant negative effect of PRG on PCT. This shows that if the government actively involves in tourism development process, it will results in the decrease of negative impacts of tourism. The major sub factors under the Perceived role of government are ‘Community Developer’, ‘Community Participation’ and ‘Controller of Tourism Cost’. If the government successfully acts these three roles that will results in the decrease of different cost of tourism. That is why the model shows a negative relationship between the PRG (Perceived role of government) and PCT(Perceived cost of tourism). Whereas the result shows that there exist a significant direct positive effect of PRG on PBT (Perceived benefits of tourism). That means when the government is successfully performing their three roles namely Community developer, Community participation and Controller of tourism cost, then the resident community will be benefited from the tourism development. So in order to reap maximum benefits from tourism, the community needs the proactive role of the government in the tourism development process.

In the final model the PCT is found to have negative effect on OCS, but that relationship is statistically not significant. The
reason behind this insignificant relationship is that the resident community at the destinations in Kerala are less worried about the cost of tourism. Even though they know that the different negative effects of tourism will affect their community, they were more interested in reaping the benefits of tourism rather than worrying about the cost. That is why the regression weight of PBT on OCS is 0.344 which is found to be significant at 1% level and this shows that there exists a direct positive relationship between PBT and OCS. These findings however, support that of Nunkoo and Ramkissoon (2010) who found a statistically significant relationship between community satisfaction and perceptions of positive impacts. It also contradicts Vargas-Sanchez et al.’s (2009) study results which suggest that community satisfaction does not influence the perceived benefits. Thus the study proves that the more the benefits from tourism, the more will be the overall community satisfaction.

Conclusion
The model ultimately explains the important variables which determine the community support for tourism development in the state of Kerala and also explains the relationship between the variables. The main contribution of the study is the inclusion of the variable the Perceived role of government. The study explains in resident’s perspective, the sub variables under the Perceived role of government. Only a few studies explain the importance of role of government in determining community support. For example the study of Chiang and Huang (2011) explains the local government as the antecedent variables which do affect how residents perceive the impacts of tourism and the study of Nunkoo and Ramkissoon (2011) explains residents’ perception of impacts is dependent on their perceived level of power in relation to the tourism industry or their power to influence tourism. The present study points out the different roles of the government through which the community support can be achieved. This is in line with the present approach of Kerala government where the importance is given to community based tourism through the active support of the government. So the model developed serves as an important guiding light for the government to ensure community support which will results in the sustainable development. The limitation of the study is that the model was developed using the data collected from selected destinations in Kerala. So in order to generalize the results further research have to be conducted to test the model in other destinations positioned at different stages in the tourist area life cycle. Researchers should attempt to test the model at different destinations promoting different types of tourism. Anyway the present study helped to explain the problem under study in a meaningful way.

References


