

Rural Tourism Positioning Strategy: A Community Perspective

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Abstract. Malaysian rural tourism is composed of a large number of rural communities, each with distinct and varied assets. The purpose of this research is to conduct an analysis based on the existing tourism industry in Bario by examining the impact of economics, environmental, social and cultural factor of the tourism industry on the local communities in Bario. To assess the model developed we used the SmartPLS 2.0 (M3) which is based on path modelling and then the bootstrapping with 200 re-samples were used to generate the standard error of the estimate and t-values. The findings suggested that the tourism industry has created significant impact on the cultural aspect of local communities. This result could be due to the fact that Bario is a rural destination where traditional norms and customs prevail compared to other factors such as economics, social and environment impact. Implications of these findings are discussed further.

Keywords: Economics, Environment, Social, Cultural, Rural tourism, Positioning.

1. Introduction

In an area of rural setting, the economic well-being and employment opportunities for the local residents may very much depend on tourism industry (Briedenhann & Wickens, 2003; Ruiz-Molina, Gil-Saura, & Moliner-Velazquez, 2010). In tourism market, rural tourism is a growing sector whereby, the economic growth, socio-cultural development, protection and improvement of both the natural and built environment and infrastructure are the significant contributions of rural tourism. Tourism plays a significant role in the economy of Malaysia and it is Malaysia's third largest revenue generating industry, after oil and gas, and manufacturing sectors. This study endeavors to evaluate the impact of economics, environmental, social and cultural factor of the tourism industry on the local communities in Bario, a rural tourism destination in Sarawak, Malaysia. While the significant economic outcome can be readily understood, it is less apparent what the dramatic increase in tourism has on the Bario communities. Hence, understanding local communities' concerns in the development of a rural tourism destination is vital. As stated by past researchers (e.g., Wang, Bickle, & Harrill, (2010), there is a growing need to assess communities' attitudes in places that are beginning the tourism development process such as Latin America, Africa, and Asia. This paper focuses on not only positioning strategy but from the perspectives of communities, how that repositioning is seen from the eye of local communities to create a more holistic planning of tourism positioning.

2. Literature Review

Tourism industry brings in economic, environmental, and socio-cultural benefits (Kuvan & Akan, 2005), which contribute to the revitalization of the local communities and improved local communities standard of life (Andereck & Vogt, 2000). Past literatures in tourism (e.g., Greaves & Skinner, 2010; Hanna & Rowley, 2008; Skinner, 2008) have indicated that it is important to differentiate one tourism destination from another by creating a unique identity for a destination. However, just like any other industry, tourism may bring changes to the local communities that may negatively affect local communities' lives. To achieve successful

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sustainable tourism development, community leaders and developers need to view tourism as a ‘community industry’ (Murphy, 1985) as this enables local communities to actively decide and plan future tourism development.

2.1. Tourism and Local Communities

The local communities play a pivotal role in ecotourism development as their participation and involvement are critical to the process. Past researchers posited that most of the tourism studies concerning local communities were mostly focusing on the economic well being (Kuvan & Akan, 2005; Tosun, 2002) but ignoring on the other factors such as environment, social, and cultural aspects, on which are equally important in determining if tourism has posted positive or negative impact. In studying communities’ perception on ecotourism development, it is necessary to explore the impacts of economics, environmental, social and cultural on local communities, which will be the foundation of this research.

2.2. Positioning Strategies

The concept of positioning is applicable to a company, service person or place and this is in tandem with the concept of a product, which can be defined as physical goods, service, place, person or idea (Kotler, 2000). Destination images refers to how a place is represented and it plays an important role in influencing tourists’ choices in visiting the destination (Morgan, Pritchard, & Piggott, 2002) and hence it is crucial for the destination to have a differentiation strategy in order to create a unique selling proposition (Leisen, 2001). Nonetheless, it should not be forgotten about the fact that all these branding and positioning would not be successful without the careful involvement of local communities and their views should be included as part of the strategic planning for a rural tourists’ destination. This is consistent with a study by Wang *et al.* (2010) that found the positive impact of tourism on social, cultural and economic aspects, but was negative towards crowding and congestion as well as urban growth as a result of tourism development.

3. Methodology

This study has adopted Sharma & Dyer (2009) and Ap (1992) method to measure the four impact of tourism studies known as economics, environment, social and cultural impact because of the conceptual consistency underlying the definitions that were used in its development and also because it has been proven to have adequate psychometric properties. On the other hand, positioning question items were finalized based on the interviews and questionnaires adapted from Ap and Crompton (1998) tourism scales. A total of 120 questionnaires were distributed to the local communities residing at Bario. Out of the 120 questionnaires, only 66 questionnaires were used for analysis. To assess the model developed we used the SmartPLS 2.0 (M3) which is based on path modelling and then the bootstrapping (Chin 1998; Tenenhaus, Chatelin, & Lauro, 2005; and Wetzels, Schroder & Oppen, 2009) with 200 re-samples were used to generate the standard error of the estimate and t-values.

4. Findings

We conducted a confirmatory factor analysis (CFA) to assess reliability, convergent validity, and discriminant validity of the scales. As shown in the Table 1, most item loadings were larger than 0.5 (significant at $p < 0.01$). All Average Variance Extracted (AVEs) are closed to or exceeded 0.5 (Bagozzi & Yi, 1988). The composite Reliability (CRs) exceeded 0.7 (Gefen, Straub, & Boudreau, 2000) while the Cronbach alpha values 0.7 (Nunnally, 1978). Thus, we ensured convergent validity because all the indicators load much higher on their hypothesized factor than on other factors (own loading are higher than cross loadings; Chin, 1998, 2010) In addition, the square root of the AVE was tested against the intercorrelations of the construct with the other constructs in the model to ensure discriminant validity (Chin, 2010, 1998; Fornell & Larcker, 1981) and all the square root of the AVE exceeded the correlations with other variables. Thus, the measurement model was considered satisfactory with the evidence of adequate reliability, convergent validity, and discriminant validity. Next we proceeded to test the hypotheses generated for this research.

Table 1 and Figure 1 present the results of the hypotheses testing. The results have indicated that only one dimension namely, cultural impact was found to have significant impact on repositioning of the rural

tourism destination with standardized beta of 0.312 and is significant at $p < 0.01$ thus, H4 was supported. Whereas, the other hypotheses such as the economics, environment and social were not important contributing factors in repositioning of rural tourism destination, hence, hypotheses H1-H3 were rejected. We also conducted a global fit measure (GoF) assessment for PLS path modelling, which is defined as geometric mean of the average communality and average R2 (for endogenous constructs; Tenenhaus, Vinzi, Chatelin, & Lauro 2005) following the procedure used by Akter, Ambra, & Ray, (2011). Following the guidelines of Wetzels *et al.* (2009), we estimated the GoF values (see formula), which may serve as cut-off values for global validation of PLS models. The GoF value of 0.326 (average R2 was 0.171, average AVE was 0.0.621) for the (main effects) model, which exceeds the cut-off value of 0.25 for medium effect sizes of R2. As such, it allows us to conclude that our model has better explaining power in comparison with the baseline values (GoFsmall =0.1, GoFmedium =0.25, GoFlarge =0.36) (Akter *et al.* 2011). It also provides adequate support to validate the PLS model globally (Wetzels *et al.*, 2005).

$$GoF = \sqrt{AVE \times R^2}$$

Table 1: Path coefficients and hypothesis testing

Hypothesis	Relationship	Coefficient	t-value	Supported
H1	Economics Impact→ Positioning	0.068	0.649	NO
H2	Environment Impact→ Positioning	0.170	0.890	NO
H3	Social Impact→ Positioning	-0.036	0.256	NO
H4	Cultural Impact→ Positioning	0.312	2.534	YES

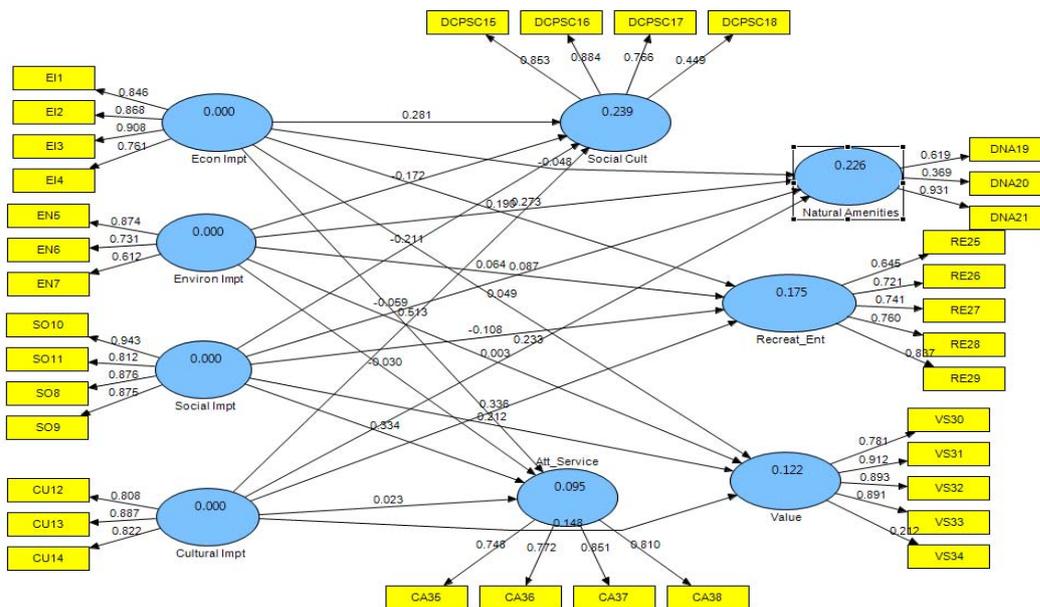


Figure 1: Results of the path analysis

5. Discussion and Implications

From the study, four dimensions of tourism scales, namely environment, social, cultural and economics were used to measure the perceptions from community perspective and were tested on its capabilities of explaining sufficient variation in the construct being measured in Malaysia context. Interestingly, only one dimension namely, cultural, was found to be statistically significant to positioning and is of the concern of the local communities when it comes to the positioning of the place. This finding is supported by past researches (e.g., Wang *et al*, 2009) where cultural aspect plays an important part in rural tourism destination. From the findings, it is concluded that though sustainable tourism is important, it will not be successful without the local participation and that the dimensions of positioning should be locally determined.

It is interesting to note that how the local communities at rural destination were first exposed to tourism and later are able to utilize it to generate income from the tourism industry. This study has proven to be a valuable and efficient means of uncovering positioning strategies of rural areas at an early stage of rural communication research. An important management implication that can be learnt from this study is that, though economics benefit is important, cultural values of the local communities should be considered carefully preserved to have a “softer” development approach such as training in order to support the underlying goals and purpose of the tourism industry.

6. Limitation of the Study

Though data collected from the perspective of communities could gauge some information about the perception of communities on positioning of tourism destination, nonetheless the sample size is small to generalize the results to other rural tourism destination. Nonetheless, the results have served as a fundamental research for future discussion on branding and positioning strategies for some other rural tourists’ destination. Next, this is not longitudinal study, and like any other cross-sectional study, it can only provide a static perspective on fit. In addition, different cultural and international contexts may limit the generalizability of results. It is unclear whether the findings may have the same implications for other tourism destination in different cultural environment as the values of the local communities in this current study might not accurately represent the values of other countries’.

7. Conclusion

It has been propounded that, the progress of research on rural tourism has been slow but steady. It is believed that an appropriate time to address the extent to which the progress about rural tourism destination thus far could be applied to a variety of social issues. Hence, it is timely to understand the importance of the dimensionalities affecting the local rural tourism industry as it can be extremely useful for tourism studies. Although these four impacts namely, environment, social, cultural and economics have been studied in previous researches, no known researches have been found to empirically study the impact on rural tourism destination in the Malaysia context especially when it is linked to planning of positioning. This study has added to the growing body of research in tourism research by examining the perspective of local communities on positioning strategy of a rural tourism destination. Ultimately, local Bario community and the industry players in particular will benefit from this study as this will amplify which are the areas in the community concerns that need improvements.

8. Acknowledgement

The funding of this research is obtained through a research grant from the Ministry of Higher Education, Malaysia and Universiti Malaysia Sarawak.

9. References

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