

# Entrepreneurs' Perceptions of the Economic, Social and Physical Impacts of Tourism

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**Abstract**—The objective of this study is to determine how entrepreneurs perceive the economic, social and physical impacts of tourism. The study was conducted in the city of Afyonkarahisar, Turkey, which is rich in thermal tourism resources and investments. A survey was used as the data collection method, and the questionnaire was applied to 472 entrepreneurs. A simple random sampling method was used to identify the sample. Independent sampling t-tests and ANOVA tests were used to analyse the data obtained. Additionally, some statistically significant differences ( $p < 0.05$ ) were found based on the participants' demographic characteristics regarding their opinions about the social, economic and physical impacts of tourism activities.

**Keywords**—Tourism, perception, entrepreneurship, entrepreneurs, structural equation modelling.

## I. INTRODUCTION

**T**OURISM has various important economic, social and physical implications for societies. Tourism is viewed today as one of the most important factors in the growth and development of both developed and developing countries. Tourism can provide important contributions to improving the employment and income levels of society by reducing external debt, improving the balance of payments and especially improving the welfare of individuals [1], [2]. Regarding the importance of tourism, resources from the World Tourism Organization [3] have argued that it provides more economic output than industrial branches such as the automotive, chemical and mining industries. This situation has increased countries' interest in tourism and directed them to act more sensitively in regulating it. For this reason, the importance of tourism has been highlighted both in government programmes and in private sector investment plans in many developed and developing countries. Most countries even provide supporting facilities to encourage tourism investment by entrepreneurs. We can safely say that there is cutthroat competition among countries for tourism revenue. Thus, countries are making efforts to attract tourism investment by removing the legal, economic and bureaucratic barriers facing foreign entrepreneurs or by facilitating arrangements.

## II. AIM AND METHODOLOGY OF THE STUDY

The aim of this study is to determine the perceptions of entrepreneurs who are registered with the Chamber of Industry of Trade of Afyonkarahisar (ATSO) and who engage in 25

different lines of business regarding the economic, social and physical impacts of tourism.

There are some studies in the literature that examine the impacts of tourism and entrepreneurship [4]-[6]. However, studies on the perceptions of entrepreneurs about the economic, social and physical impacts of tourism are limited in number. Therefore, it is expected that this study will make a major contribution to the literature.

To collect the data for this study, we employed a survey that comprised two parts. The first part includes seven questions that aim to determine the demographic characteristics of the respondents (gender, age, marital status, education, inhabitancy, age of business, and relationship with tourism companies). The second part of the survey includes 34 closed-end statements to determine the economic, social and physical impacts of tourism. The statements in the survey were rated on a five-point Likert-type scale. The entrepreneurs were asked to evaluate their opinions on the impacts of tourism between "I do not agree" = 1 and "I agree completely" = 5. The second part of the survey was developed by reviewing studies that were previously conducted on this subject [7]-[13]. Both the content and the comprehensiveness of the survey were checked, and the Cronbach's alpha values were provided to present the results of the reliability analysis. To collect the data for the study, a survey method was utilized. The sample comprises the entrepreneurs operating in the city of Afyonkarahisar and registered with the ATSO. The study's population size is 2,670 based on the data obtained from the ATSO. Convenience sampling formula suggested for quantitative studies and infinite populations by [14]:

$$n_0 = \frac{S^2 Z_{\alpha/2}^2}{e^2} \quad (1)$$

The symbols for which they stand in (1) are shown as follows:  $n_0$ : sample size,  $Z_{\alpha/2}$ : theoretical value for significant level,  $S$ : standard deviation,  $e$ : sampling error,  $Z_{\alpha/2} = 1.96$  (for 0,05),  $S = 1$  and  $e = 0.1$ . The sample size was calculated as 335. However, we decided to sample 500 entrepreneurs to increase the reliability of the study and because we expected that there may be invalid surveys.

According to the ATSO's classification, the enterprises operate in 25 different business segments. Based on the stratified sampling method, the number of enterprises in each business segment to be included in the primary sample was calculated according to the percentage share of the total. Then, the names of enterprises were chosen at random using a bag-style bingo. The study was completed over a period of six total months between August 2009 and January 2010. Because

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some of the entrepreneurs terminated their businesses during the period, some could no longer be reached at their previously stated address, and some did not respond to the survey, 480 questionnaires were collected in total. Of these questionnaires, eight were found to be invalid and were not included in the study; thus, we evaluated 472 questionnaires in total. The breakdown of the survey by group is provided in the appendix.

TABLE I  
PERCEPTIONS OF ENTREPRENEURS REGARDING THE IMPACTS OF TOURISM  
(N= 472)

| Factors                                    | Items  | $\bar{x}$ | d.f. |
|--|--|-----------|------|
| <b>Social<br/>Impacts of<br/>Tourism</b>   | It provides opportunities to increase social activities              | 4.47      | 0.74 |
|  | It develops infrastructure standards                                 | 4.28      | 0.87 |
|  | It enhances people's manners   | 4.13      | 0.96 |
|  | It raises public awareness   | 4.24      | 0.86 |
|  | It provides opportunities for health                                 | 4.09      | 1.01 |
|  | It ensures that the province is safer                                | 3.67      | 1.10 |
|  | It provides increased technological possibilities                    | 3.75      | 1.05 |
|  | It causes the deterioration of traditions                            | 3.36      | 1.20 |
|  | Tourism is likely to increase the crime rate                         | 3.62      | 1.08 |
|  | It adversely affects relationships within the family                 | 2.61      | 1.16 |
|  | Tourism is likely to diminish religious values                       | 3.38      | 1.24 |
|  | Tourism is likely to diminish moral values                           | 3.37      | 1.26 |
|  | Tourism is likely to diminish the Turkish language                   | 3.44      | 1.28 |
| <b>Economic<br/>Impacts of<br/>Tourism</b> | It increases the income level of the province                        | 4.41      | 0.90 |
|  | It provides an increase in investment                                | 4.38      | 0.86 |
|  | It increases job opportunities                                       | 4.32      | 0.90 |
|  | It provides an increase in state incentives                          | 4.05      | 1.00 |
|  | It increases the potential of the province for tourism               | 3.70      | 1.16 |
|  | It transfers tourism income to other provinces                       | 3.06      | 1.15 |
|  | It increases the usage of imported goods                             | 2.84      | 1.04 |
|  | It leads to price increases of goods and services                    | 2.63      | 1.12 |
|  | Employment is not dependent on the local people                      | 2.75      | 1.05 |
|  | It causes excessive spending   | 3.09      | 1.15 |
| <b>Physical<br/>Impacts of<br/>Tourism</b> | The benefits created are less than the costs                         | 2.66      | 1.22 |
|  | It ensures the preservation of tourism resources                     | 4.24      | 0.97 |
|  | It ensures the restoration of historic buildings                     | 4.22      | 1.05 |
|  | Increases in the number of tourists visiting the province are useful | 4.07      | 1.00 |
|  | Tourist buildings make the province beautiful                        | 4.45      | 0.90 |
|  | It causes traffic jams   | 2.96      | 1.28 |
|  | It causes noise pollution  | 2.69      | 1.17 |
|  | It causes environmental pollution                                    | 2.54      | 1.19 |
|  | It causes increases in parking areas                                 | 2.69      | 1.27 |
|  | It causes concretization   | 2.54      | 1.30 |
|  | It causes reductions in tourism resources                            | 2.86      | 1.28 |

### III. FINDINGS & DISCUSSION

The findings for the means and standard deviations of the entrepreneurs' opinions about the social, economic and physical impacts of tourism are shown in Table I. According to these results, it can be stated that entrepreneurs are conscious about the impacts of tourism. In particular, they view tourism as a social activity, they consider it an area for

investment, and they express positive opinions about preserving natural and historical places, thus revealing that entrepreneurs are conscious of tourism-related matters. However, the entrepreneurs also highlighted some negative impacts of tourism with their opinions by stating that tourism helped to destroy the local native language, tourism products and services cause cost increases, and tourism causes the unplanned urbanization and depletion of resources. In fact, although these responses may seem to be negative, we observed that the entrepreneurs determined the situation to be positive overall. Because the assets that create tourism value are composed of elements from man-made and natural sources, the human factor is very important. Thus, it is the human factor that both uses the natural resources and creates the attractions. Therefore, entrepreneurs should not forget their responsibilities in producing, consuming and using the tourism resources. The positive results created by tourism should never threaten the principle of sustainability. Therefore, the tourism phenomenon should play a functional role in socialization and should help to raise individuals' awareness instead of being purely economically driven. Positive steps that can be taken in this regard will allow entrepreneurs to contribute to the efficient use of tourism resources, social responsibility and profitability.

Table II includes the t-test and ANOVA results for the comparison of the means of the opinions of the respondents on the economic, social and physical impacts of tourism based on the demographic characteristics. According to these results, the opinions of the entrepreneurs on the economic, social and physical impacts of tourism do not demonstrate statistically significant differences based on the duration of their relationships with their tourist enterprises ( $p > 0.05$ ). However, the opinions of the entrepreneurs on the economic impacts of tourism do show differences based on the gender factor. The results show that male entrepreneurs pay more attention to the economic aspects of tourism than the female entrepreneurs. In addition, the social impacts of tourism are significant based on marital status ( $p < 0.05$ ). Thus, married entrepreneurs express a more sensitive attitude towards the social impacts of tourism. Another statistically significant difference was found in the educational background of entrepreneurs regarding their opinions about the economic and social impacts of tourism ( $p < 0.05$ ). Specifically, entrepreneurs with a high level of education demonstrate a positive sensitivity regarding the impacts of tourism. Hence, we can say that the education factor is the most significant capital for entrepreneurs. Additionally, there is a statistically significant difference between the business experiences of the entrepreneurs and their opinions about the social impacts of tourism ( $p < 0.05$ ). We can state that young entrepreneurs with business experience are more sensitive to the social impacts of tourism.

TABLE II  
COMPARISON OF MEANS REGARDING THE SOCIAL, ECONOMIC AND PHYSICAL IMPACTS OF TOURISM WITH THE DEMOGRAPHIC CHARACTERISTICS OF ENTREPRENEURS

| Variables                 | Factor   | Group              | n   | $\bar{x}$ | d.f. | (p)    |
|---------------------------|----------|--------------------|-----|-----------|------|--------|
| Gender                    | Social   | Female             | 61  | 3.80      | 0.52 | 0.138  |
|                           |          | Male               | 411 | 3.71      | 0.43 |        |
|                           | Economic | Female             | 61  | 3.32      | 0.54 | *0.028 |
|                           |          | Male               | 411 | 3.46      | 0.46 |        |
|                           | Physical | Female             | 61  | 3.24      | 0.58 | 0.237  |
|                           |          | Male               | 411 | 3.34      | 0.59 |        |
| Age                       | Social   | 18-24              | 38  | 3.72      | 0.29 | 0.539  |
|                           |          | 25-34              | 113 | 3.77      | 0.45 |        |
|                           |          | 35-44              | 151 | 3.73      | 0.44 |        |
|                           |          | 45+                | 170 | 3.69      | 0.47 |        |
|                           | Economic | 18-24              | 38  | 3.45      | 0.51 | 0.460  |
|                           |          | 25-34              | 113 | 3.50      | 0.46 |        |
|                           |          | 35-44              | 151 | 3.44      | 0.47 |        |
|                           |          | 45+                | 170 | 3.41      | 0.48 |        |
|                           | Physical | 18-24              | 38  | 3.33      | 0.56 | 0.076  |
|                           |          | 25-34              | 113 | 3.40      | 0.59 |        |
|                           |          | 35-44              | 151 | 3.37      | 0.59 |        |
|                           |          | 45+                | 170 | 3.23      | 0.58 |        |
| Marital Status            | Social   | Married            | 103 | 3.81      | 0.43 | *0.029 |
|                           |          | Single             | 369 | 3.70      | 0.45 |        |
|                           | Economic | Married            | 103 | 3.50      | 0.41 | 0.217  |
|                           |          | Single             | 369 | 3.43      | 0.49 |        |
|                           | Physical | Married            | 103 | 3.35      | 0.56 | 0.697  |
|                           |          | Single             | 369 | 3.32      | 0.60 |        |
| Education                 | Social   | Primary            | 37  | 3.65      | 0.45 | *0.048 |
|                           |          | Secondary          | 77  | 3.67      | 0.50 |        |
|                           |          | High School        | 183 | 3.67      | 0.44 |        |
|                           |          | Associate's degree | 55  | 3.80      | 0.40 |        |
|                           |          | Bachelor's degree  | 113 | 3.82      | 0.39 |        |
|                           | Economic | Postgraduate       | 7   | 3.74      | 0.56 |        |
|                           |          | Primary            | 37  | 3.34      | 0.44 | *0.031 |
|                           |          | Secondary          | 77  | 3.39      | 0.49 |        |
|                           |          | High School        | 183 | 3.41      | 0.51 |        |
|                           |          | Associate's degree | 55  | 3.47      | 0.45 |        |
|                           | Physical | Bachelor's degree  | 113 | 3.57      | 0.40 |        |
|                           |          | Postgraduate       | 7   | 3.36      | 0.55 |        |
|                           |          | Primary            | 37  | 3.32      | 0.56 | 0.136  |
|                           |          | Secondary          | 77  | 3.17      | 0.68 |        |
|                           |          | High School        | 183 | 3.32      | 0.59 |        |
|                           |          | Associate's degree | 55  | 3.38      | 0.57 |        |
|                           |          | Bachelor's degree  | 113 | 3.42      | 0.52 |        |
|                           |          | Postgraduate       | 7   | 3.31      | 0.54 |        |
| Inhabitancy               | Social   | 1-9                | 84  | 3.80      | 0.37 | 0.072  |
|                           |          | 10-19              | 33  | 3.59      | 0.42 |        |
|                           |          | 20+                | 355 | 3.72      | 0.46 |        |
|                           | Economic | 1-9                | 84  | 3.44      | 0.47 | 0.215  |
|                           |          | 10-19              | 33  | 3.31      | 0.60 |        |
|                           |          | 20+                | 355 | 3.46      | 0.46 |        |
|                           | Physical | 1-9                | 84  | 3.38      | 0.66 | 0.590  |
|                           |          | 10-19              | 33  | 3.29      | 0.67 |        |
|                           |          | 20+                | 355 | 3.32      | 0.56 |        |
| Period of Service (years) | Social   | 1-9                | 122 | 3.78      | 0.39 | *0.021 |
|                           |          | 10-19              | 190 | 3.74      | 0.46 |        |
|                           |          | 20-29              | 127 | 3.69      | 0.40 |        |
|                           |          | 30+                | 33  | 3.52      | 0.64 |        |
|                           |          | 1-9                | 122 | 3.43      | 0.39 | 0.475  |

| Variables                            | Factor   | Group | n   | $\bar{x}$ | d.f. | (p)   |
|--------------------------------------|----------|-------|-----|-----------|------|-------|
| Association with tourism enterprises | Economic | 10-19 | 190 | 3.49      | 0.48 | 0.561 |
|                                      |          | 20-29 | 127 | 3.41      | 0.51 |       |
|                                      |          | 30+   | 33  | 3.41      | 0.57 |       |
|                                      | Physical | 1-9   | 122 | 3.38      | 0.58 |       |
|                                      |          | 10-19 | 190 | 3.33      | 0.59 |       |
|                                      |          | 20-29 | 127 | 3.28      | 0.58 |       |
|                                      |          | 30+   | 33  | 3.26      | 0.61 |       |
|                                      | Social   | Yes   | 215 | 3.70      | 0.46 | 0.301 |
|                                      |          | No    | 257 | 3.74      | 0.43 |       |
|                                      | Economic | Yes   | 215 | 3.48      | 0.48 | 0.102 |
|                                      |          | No    | 257 | 3.41      | 0.47 |       |
|                                      | Physical | Yes   | 215 | 3.37      | 0.58 | 0.172 |
|                                      |          | No    | 257 | 3.29      | 0.59 |       |

#### IV. CONCLUSION

Based on the results of this study, entrepreneurs have perceptions regarding both the positive and negative impacts of tourism. These impacts were grouped in the study as social, economic and physical impacts. Another result is that the opinions of the entrepreneurs regarding the social, economic and physical impacts of tourism do not demonstrate statistically significant differences based on some demographic characteristics (age, time of stay and relationship with tourist enterprises). However, the results show that male entrepreneurs pay more attention to the economic aspects of tourism than female entrepreneurs. This difference could be explained by the fact that female entrepreneurs have less experience in economic life than the male entrepreneurs. Conversely, married entrepreneurs indicated a more sensitive attitude towards the social impacts of tourism. Because tourism requires continuous, 24/7 service and is an extremely labour-intensive sector, it limits people's social life. Therefore, married entrepreneurs who know how the tourism sector functions indicated that they are more sensitive than single entrepreneurs on this issue. In addition, entrepreneurs with a high educational background expressed more positive opinions than entrepreneurs with lower educational levels on the social, economic and physical impacts of tourism. Thus, as the entrepreneurs' level of education increases, their opinions on the impacts of tourism change in a positive direction. Another significant difference was observed between the entrepreneurs' business experience and the social impacts of tourism. Entrepreneurs with business experience of 1 to 9 years are more sensitive than those with more business experience regarding the social impacts of tourism. This result shows that young entrepreneurs are outward-oriented and have a high level of social awareness.

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