The Influence of Community Factors on Local Entrepreneurs' Support for Tourism

Ying ZHANG1, Jin Hooi CHAN2*, Zhongjuan Ji3, Luning SUN4, Bernard LANE5, Xiaoguang QI4,6

1 Minzu University of China, Beijing 100081, People Republic of China
2 Faculty of Business, University of Greenwich, London SE10 9LS, United Kingdom
3 Sun Yat-sen University, Guangzhou 510275, People Republic of China; Minzu University of China, Beijing 100081, People Republic of China
4 Judge Business School, University of Cambridge, Cambridge CB2 1AG, United Kingdom
5 Eurac Research, 39100 Bolzano/Bozen, Italy
6 Anshan Normal University, Anshan, Liaoning, China

*Corresponding author: Jin Hooi CHAN, jinhooi@cantab.net, University of Greenwich, London SE10 9LS, United Kingdom

Keywords: Overtourism, Social Exchange Theory; Community Relationship; Sustainable Tourism; Community Attachment; Community Satisfaction;

Acknowledgements:
This research project is partly funded by the State Ethnic Affairs Commission of the People’s Republic of China (Project grant no.: 2018-GMB-041). The authors acknowledge the contribution of Mr Zaw Lwin in proof reading the earlier version of the manuscript, and Dr Kaishan Jiao in providing advices in SPSS and SEM analysis. Special thanks to Dr Anchor Lu, Dr Athena Mak, Dr Li-Ju Chen, and Dr Lai-Hsin Lai for reviewing the questionnaire and providing assistance in mobilizing and training a number of post-graduate students at Taiwan’s National Dong Hwa University for data collection.
Abstract
This study probes the influence of community attachment on local entrepreneurs’ perceptions of tourism’s local impacts. Six latent constructs were derived from social exchange theory and community attachment theory; 11 hypotheses were tested, using structural equation modelling, with data from 297 Taiwanese night market entrepreneurs. Significant theoretical contributions to understanding relationships between entrepreneurs and community were found: effects of community satisfaction on support for tourism were significant and fully mediated by perceived benefits. Community factors and tourist contact frequency were important in entrepreneurs' decisions on further tourism development. Community factors showed low but significant relationships with the perceived costs of tourism, A case is made for sustainable tourism governance measures, including partnership creation, destination management systems, and visitor experience planning.
1. Introduction
Local tourism entrepreneurs can be key actors within many communities that are
striving for prosperity and jobs. Their role often extends beyond economic
development and job creation into playing key roles in community development,
community well-being and cultural conservation (Johannisson & Nilsson, 1989),
despite they might not be seen as social entrepreneurs, because their primary aim is
not to increase “social value” (Peredo & McLean, 2006).

Intuitively, local entrepreneurs should always strongly support the development of
tourism as it could increase their own personal revenue, a fact confirmed by numerous
studies on residents’ perceptions (Sharpley, 2014), but there is only limited
understanding of that support. Would they unreservedly support continuous increases
in tourist numbers, particularly if they have both locals and tourists as customers?
Residents have a political vote; tourists have a financial vote. Do local entrepreneurs
have a casting vote? In times of target driven economies, local entrepreneurs may be
more important than we realise in determining the development of local economies
and social policies. And, in a world where "overtourism" is increasingly discussed,
local tourism entrepreneurs may have a special role to play and be considered.
However, it is too easy, and often too simplistic, for academics discussing sustainable
tourism to play the simple "local people always know best" card, "to place the rights
of local communities above the rights of tourists for holidays and the rights of tourism
corporates to make profits" (Higgins-Desbiolles, Carnicelli, Krolikowski, Wijesinghe,
& Boluk, 2019: 1). There are many types of local residents, including entrepreneurs.
And without effective local entrepreneurs, community-based tourism can fail. Idziak,
Majewski, & Zmyślony (2015) report that, of 107 community-based tourism villages
created in Poland since 2000, only c. 58 were still in operation in 2015.

The study of residents’ perceptions and support for tourism dates back to the 1970s. It
is an important subject, covering many aspects of society including economy, social
life, culture, and the environment (Woo, Kim, & Uysal, 2015; Chan, Iankova, Zhang,
McDonald, & Qi, 2016). Residents’ perceptions and attitudes towards tourism and its
impacts are now gaining new importance, even after 50 years of research (Gursoy,
Chi, & Dyer, 2010; Nunkoo & So, 2015). Tourism’s ongoing growth means that its
impact has become widespread, bringing the perceived negative impacts of what has
recently become known as "overtourism", even at large cities, generating substantial
mass media attention in, for example, Barcelona, Venice, and Penang. The UN World Tourism Organization (2018) responded to this renewed interest in the perception of tourism’s impacts in its publication: ‘Overtourism’? – Understanding and Managing Urban Tourism Growth beyond Perceptions. The renewed discussions about the impacts of what is perceived to be too much tourism have recently been taken up anew by academic commentators and researchers (See Higgins-Desbiolles et al, 2019, and Oklevik, et al, 2019).

Despite its importance (Vargas-Sánchez & Porras-Bueno, 2011), Sharpley (2014) expresses doubts over the current understanding of residents’ perception. Most pre-2004 research is a-theoretical (Gursoy & Rutherford, 2004) but two key theoretical concepts, i.e. Social Exchange Theory (SET) and community attachment theory, have garnered increasing attention and adoption since the 1990s, particularly using statistical techniques and modelling (Sharpley, 2014; Gursoy, Jurowski, & Uysal, 2002). However, there is no overall consensus on the effects of dependent/intermediate variables, models, or theoretical constructs (Vargas-Sánchez & Porras-Bueno, 2011; Nunkoo & Ramkissoon, 2011).

In contrast to Vargas-Sanchez and Porras-Bueno (2011), who sought a universal model for residents’ perceptions, this study takes a more reductionist (epistemologically) approach by reducing the number of variables and focusing on a single group of residents and visitors. The degree of complexity in understanding the perceptions of residents increases when the heterogeneity of both residents and tourists are considered as well as other destination features. These constructs are multi-faceted in nature, diverse and complicated in composition. ‘Resident’ is also not a homogenous construct but a continuous spectrum of variables such as social demographic characteristics (Krippendorf, 1987; Mason & Cheyne, 2000). One way to categorise residents is by division between participants and non-participants in tourism in economic terms. This paper analyses a single resident group, local tourism entrepreneurs, to better understand the determinants of the perceptions of these key players. Thereby, the authors develop an integrative model to understand their support or fears for tourism development.

This study also reduces the complication of studying many types of tourists by asking questions about a single tourist group in one destination, focusing on tourists from
mainland China visiting Shilin, the most famous Taiwanese night market with a mixture of local and tourist visitors. Taiwan and mainland China have long had differing political outlooks. How host-guest relations influence host attitudes about tourism is a key literature gap identified by Woosnam (2012) and Sharpley (2014). Structural equation modelling (SEM) is used in this study to measure the determinants of entrepreneurs’ perception of the benefits and costs of tourism (BCT) and thus their support based on SET. The model aims to examine if the perceived impacts of tourism are influenced by community attachment (CA) (Kasarda & Janowitz, 1974; Gursoy et al., 2010), community concern (CC) (Gursoy et al., 2010), and community satisfaction (CS) (Goudy, 1990; Nunkoo & Ramkissoon, 2011).

The authors propose that the closeness of resident-community relationships, measured by the above three constructs, will influence how Shilin Night Market (SNM) entrepreneurs perceive the BCT in the community and thus their own attitudes. This study models entrepreneur’s perceptions of the BCT, and if their perceptions are influenced by resident-community relationships. It expands the theoretical development of the understanding of residents’ perceptions and attitudes, particularly those entrepreneurs who benefit directly from tourism development, and also controls for the residence location of the entrepreneurs and their frequency of contact with tourists. This offers insights for destination policy makers and managers, and Chinese tourist agents, when formulating sustainable strategies. It may also help destinations elsewhere with a similar context to Taiwan with increasing Chinese tourists.

2. Determinants of Residents’ Perceptions and Support

Much early research concentrated on examining residents’ perceptions towards the economic impact of tourism (Getz, 1986; Liu, Sheldon, & Var, 1987). But the focus of research gradually turned to examining factors influencing residents’ perceptions and attitudes (Gursoy & Rutherford, 2004), such as perceived benefits and costs based on SET (Ap, 1992), resident-community relationships (Nicholas, Thapa, & Ko, 2009; Lee, 2013), residents’ self-identity (Nunkoo & Gursoy, 2012), and residents’ participation in sustainable tourism (Yu, Chancellor, & Cole, 2011).

2.1 Relationships between perceptions and attitudes towards tourism

In the 21st century, SET is widely deployed in research on the relationship between residents’ perceptions and attitudes towards tourism. SET was first proposed by
Homans (1958), as a general sociological theory concerning “the exchange of resources between individuals and groups in an interaction situation” with the goal of minimising costs and maximising benefits. In the 1990s, Ap (1992) developed the Social Exchange Progress Model, pointing out that residents would also seek and exchange things of abstract value such as material, social or psychological and emotional elements. Local residents’ attitudes towards tourists and, therefore, their support for tourism (ST) depends on how they evaluate (or, rather, perceive) the total BCT in the community (Andereck, Valentine, Knopf, & Vogt, 2005; Nunkoo & Ramkissoon, 2011). According to SET, residents tend to support tourism development when perceived benefits exceed perceived costs and vice versa (Gursoy et al., 2010; Lee, 2013). Regression analysis shows that the perception of positive impacts is the most powerful predictor of residents’ attitude (Vargas-Sanchez & Porras-Bueno, 2011; Nunkoo & Gursoy, 2016).

The BCT can be measured from three key dimensions, economic, environmental, and socio-cultural which together contribute to satisfaction with tourism (Cottrell, Vaske, & Roemer, 2013). Intuitively, perceived economic benefits have positive impacts on ST (Gursoy et al., 2002; Kuvan & Akan, 2005). This study measures perceptions using a mixture of factors from the three dimensions but does not examine their effects separately. The following hypotheses are tested:

H1: The perceived benefits of tourism directly and positively affect entrepreneurs’ support for tourism.
H2: The perceived costs of tourism directly and negatively affect entrepreneurs’ support for tourism.

2.2 Resident-community relationships
There are, however, relatively limited studies investigating how residents actually evaluate the benefits and costs of tourism for their communities and for themselves. Some studies suggest that residents who rely on tourism for their income are more positive towards tourists and tourism development (Stylidis & Terzidou, 2014; Sharpley, 2014). Personal benefits from tourism also significantly influence residents’ perceptions of its benefits and costs (Nunkoo & Gursoy, 2016). But there is also contradictory evidence, where benefits did not significantly predict support for tourism (McGehee & Andereck, 2004). And other factors might influence residents’ perceptions, including their cultural backgrounds, their geographical locations and
their levels of financial well-being. The limited number of studies in this niche but deep and complex area is especially notable in comparison with the prolific output of papers on resident’s perceptions of tourism generally (Sharpley, 2014: 43). Sharpley (ibid) notes that this line of research has a relatively narrow case study base, a dependence on quantitative methods, a focus on perceptions as opposed to responses, and typically excludes tourists from the research. He argues for a more multidimensional approach to researchers’ enquiries. This study investigates how attachments to one’s own community influences residents’ perceptions of the benefits and costs of tourism, and thereby their attitude and support for local tourism development. It seeks to add new research findings in answer to Sharpley’s 2014 call.

The concept of “community” was first raised by the German sociologist Tönnies in 1887 (see Tönnies, 2017); it refers to a group of people with similar interests such as sharing close interpersonal relationships, blood ties, or similar emotions. Sociologists often regard cultural traditions, lifestyles, values, and social customs as the main factors in “community”, while geographers consider regional sociality as the primary factor (Trentelman, 2009). Since the 1970s, sociologists, particularly community development researchers and practitioners, have investigated the relationship of residents with their community, i.e. connections between geographical areas and their residents, deploying wide scale survey and modelling techniques (Kasarda & Janowitz, 1974; Fernandez & Dillman, 1979). They postulate that the level of these relationships could affect how residents participate in community action and development.

Some tourism researchers have also considered that this relationship could impact on residents’ perceptions and attitudes towards local tourism development, despite the limited number of relevant studies (Gursoy et al., 2002; Ko & Steward, 2002; Nunkoo & Ramkissoon, 2010; Rasoolimanesh, Jaafar, Kock, & Ramayah, 2015), and how it could be manifested in both emotion and action. The three key constructs here are community attachment, community satisfaction, and community concern – all are examined as exogenous latent variables in this study.

**Community attachment**

CA, also called "sense of belonging", is the core of community emotion studies. CA measures an individual’s integration into community life, reflecting on affective bond or emotional linkage (McCool & Martin, 1994). It is manifested through community
identity, dependency, and social bonding (Kyle, Mowen, & Tarrant, 2004), which are also its key measurements. Trentelman (2009) believes that CA is the mirror of resident-community relationship and is the basis for evaluating the emotion and the rootedness between a community and its residents. Sundblad and Sapp (2011) point out that CA includes not only the economic relationship between the community and its residents, but also social relationships. In the study of community development, CA is a key factor positively leading to community action (Goudy, 1990; Kasarda & Janowitz, 1974; Theodori, 2004). This study tests the hypothesis H3 that the higher the CA of entrepreneurs, the lower their support for the arrival of more tourists as the resident entrepreneurs attempt to hold the community intact.

H3: Community attachment negatively affects entrepreneurs’ support for tourism

There is, however, limited literature on the impacts of CA on residents’ perception and therefore attitudes towards tourism (Gursoy et al., 2002; Gursoy & Rutherford, 2004; McCool & Martin, 1994; Nicholas et al., 2009), and no consensus on this relationship in the literature. It is a complex area. Some studies suggest that CA has positive and significant effects on perceived benefits, and a negative correlation with perceived costs, and, therefore, indirectly affects the ST (Choi & Murray, 2010). Their results show that residents with stronger CA are more sensitive towards vandalism in the community and, therefore, they have a stronger perception of the costs of tourism.

In contrast, some researchers arrive at quite opposite results (Gursoy et al. (2002), failing to find significant relationships between CA and perceptions of benefit and cost. Even though Jurowski, Uysal and Williams (1997) conclude that residents with a higher level of CA are more positive in their perception of economic and social impacts, they are more negative in their perception of environmental impacts. Gursoy and Rutherford (2004) find that CA has a positive impact on perceived economic and social benefits. Similarly, Gursoy and Kendall (2006), in a study of major events, Nicholas et al. (2009) on a World Heritage Site, and Deccio and Baloglu (2002) on a non-host community, found residents with higher attachment have a higher perception of the benefits of tourism. Gursoy et al. (2010), deploying a similar model at an Australian site, suggest that residents with higher levels of CA view the socio-economic impacts of tourism more negatively, contradicting Choi and Murray (2010).
This research tests the two hypotheses below on night market entrepreneurs’ perceived BCT. Entrepreneurs with higher levels of CA will welcome the benefits arising from tourist visits and view them more positively. However, they are also more sensitive about the negative impacts of the arrival of tourists.

H4: Community attachment directly and positively affects the perceived benefits of tourism
H5: Community attachment directly and positively affects the perceived costs of tourism

Expecting that the entrepreneurs would balance various types of cost and benefit, and form a view on their ST, this research tests this proposition of the indirect effects of CA, via perceived benefits and costs, on ST too, which is discussed in the structural model in Section 4.

Community concern
CC refers to levels of awareness and concern about community issues such as crime, schooling, safety, and culture, all of which could influence residents’ perceptions (Gursoy et al., 2002). Residents with stronger CC could be more sensitive to the impacts of tourism development: this has been widely discussed (Perdue, Long, & Allen, 1987) but has received insufficient attention from empirical researchers. Gursoy and Kendall (2006) conclude that there is a positive relationship between CC and perceived tourism impacts, particularly on the benefits that tourism brings. A study of a rural heritage site in China discovered that CC had a positive impact on ST mediated by the perceived economic and environmental benefits, but had negative impacts on the ST mediated by perceived economic costs (Wang & Qu, 2010). Based on all the above, this research tests the following hypotheses:

H6: Community concern negatively affects entrepreneurs’ support for tourism
H7: Community concern directly and positively affects the perceived benefits of tourism
H8: Community concern directly and positively affects the perceived costs of tourism

Similarly, this research also tests this proposition of the indirect effects of CC, via perceived benefits and costs, on ST.

Community satisfaction
CS is residents’ subjective assessment and general feeling towards the general environmental and social condition of their community. Ladewig and McCann (1980) define CS as residents’ psychological reflection on the community service, living conditions, governmental credibility, and civil rights in the community. It can be appraised by the quality of community service, which includes residents’ evaluation indices such as community security, facilities and local government/organizations (Goudy, 1990).

Community satisfaction may be a strong influencing factor on attitudes towards tourism development (Ko & Stewart, 2002). Despite it being a useful concept, studies about the relationship between this construct and residents’ perceptions are also very limited (Ko & Stewart, 2002; Nunkoo & Ramkissoon, 2010). Therefore, these researchers advocate more research on the understanding of the relationship between CS and residents’ perceptions, and resulting attitudes towards tourism.

In contrast to the Ko and Stewart (2002), model, which sees CS as a mediator of perceptions on tourism, this study examines the approach that CS is an exogenous latent variable that influences the perceived BCT. Community satisfaction might be influenced by a wider range of factors beyond those related to tourism. Entrepreneurs who have a higher level of CS might see the arrival of tourists more positively and lend their support. They would highlight the benefits and downplay the costs. The following hypotheses are tested:

H9: Community satisfaction positively affects entrepreneurs’ support for tourism
H10: Community satisfaction directly and positively affects the perceived benefits of tourism
H11: Community satisfaction directly and negatively affects the perceived costs of tourism

This research also tests this proposition of the indirect effects of CS, via perceived benefits and costs, on ST.

3. Research Design
3.1 Research Settings
The majority of residents’ perception research comes from developed countries (Ribeiro et al., 2017) with only limited examples (Lee, 2013) investigating cases in
less developed situations, especially in Asia. The most famous Taiwanese night market - Shilin night market - has been selected for examination here. Night markets are a popular attraction for overseas tourists in Taiwan with SNM being the most visited (Taiwan Tourism Bureau, 2012). As SNM is the biggest night market in terms of entrepreneur numbers, it provides sufficient respondent numbers with direct economic benefits from tourism, enabling the modelling of this particular group to be focused and numerically valid. The entrepreneurs in SNM are generally young, highly educated, and are new entrants to the business (Section 4).

The survey questioned respondents on their perceptions pertaining to a single tourist type of tourists, those from mainland China, thus excluding other factors pertaining to tourist background and behaviour. Mainland tourists are the overwhelming, and increasingly large share of tourists visiting Taiwan, and also the majority of those visiting the SNM. Taiwan Tourism Bureau statistics (2017), show that mainland Chinese visitor arrivals in 2016 (3.51 million, up from 330,000 in 2008) were c. 32% of total “international” visitor arrivals. Mainland Chinese tourists remain the largest group (38%) and the main source market for tourism in Taiwan as a whole.

Targeting a specific tourist group provides an opportunity to get an in-depth insight into host-guest relations, and could offer direct policy recommendations for sustainable tourism management. As mentioned earlier, this research setting also probes many of the historical and cultural complexities arising from contemporary political sensitivities between mainland China and Taiwan. Tourism has become a key channel of cultural exchange and communication, helping bridge the divide across the Taiwan Strait.

3.2 Questionnaire design
A draft questionnaire in Chinese was designed after consulting existing literature and taking current research in Chinese into consideration due to cultural proximity. The measurements of CA, CS, and CC were mainly derived from Wang and Qu (2014), Lu, Zhang, Li, Yang, & Tang (2008) and Du and Su (2011). The measurements of perceived impacts of tourism were mainly derived from Wang and Qu (2014), with five observed variables for the benefits and five for the costs of tourism, comprising dimensions of economy, socio-cultural and environment. One simple manifestation of the ST was added in the end. These variables are measured using a 5-point Likert scale.
This draft was reviewed by four scholars from Taiwan and mainland China, familiar with quantitative research and the specific research areas. Additional reviewers included ten Taiwanese college students, and five representatives from the Taiwanese tourism industry. The revised questionnaire was tested in a pilot study of 50 entrepreneurs at another night market closely resembling the SNM, and then revised again.

The final questionnaire covered six constructs, (1) CA, (2) CC, (3) CS, (4) perceived benefits and (5) perceived costs of the impacts from mainland Chinese tourists, and (6) the residents’ ST. The final version had 20 questions on observed or manifested variables, five demographic questions, one question on the frequency of contact with mainland Chinese tourists, and four questions about their business at SNM.

3.3 Sample and statistical analyses
The sample was collected by face-to-face oral questionnaire administration by the researchers with help from Taiwanese post-graduate students. There are normally around 1200 entrepreneurs at the night market. Systematic sampling was adopted with questionnaires distributed to the first of every three entrepreneurs. For a refusal, the next entrepreneur was then recruited. In May-June 2016, we collected 372 (93%) questionnaires out of 480 requested. After removing careless responses and those without any contact with mainland Chinese tourists, 297 (62%) were analysed. The data was processed in R software and descriptive statistical analysis was conducted. Both measurement models and structural models were built and evaluated with the lavaan software package (Rosseel, 2012), using the Maximum Likelihood estimation method. Note that instead of listwise deletion of missing data, case-wise (or ‘full information’) maximum likelihood estimation was deployed using all available data in the data frame, and an EM algorithm used to estimate the unrestricted covariance matrix (and mean vector). The raw data and model codes are available upon request. The English version of the questionnaire and all statistical tables are available in the Supplementary File on the web-based version of this paper.

4. Data Analysis
4.1 Descriptive data analysis
The demographic analysis of the local entrepreneurs is shown in Table 1 (see the online Supplementary File for all tables and appendices). Female respondents
slightly outnumber male respondents. More than 57% are below the age of 30 and 70%
are single. More than 60% of the entrepreneurs have a university degree. Around 63%
of them have less than five years of work experience. Their monthly net income ranges
from about US$600 to US$2240 for 80% of respondents. 42% of the respondents live
in Shilin District; 55% live in adjacent districts. Most respondents have frequent direct
counters with mainland Chinese tourists: the entrepreneurs could identify mainland
Chinese tourists by their behaviour and accent.

4.2 Measurement models
To examine the construct structure of the newly developed questionnaire, a
measurement model was specified and analysed by Confirmatory Factor Analysis
(CFA). χ² test is a commonly used evaluation method in CFA; if the results indicate
p>.05 or χ²/df<3, the model is considered a good fit with the data. The goodness-of-
fit indices were also introduced to indicate the approximation of the estimated
hypothetical model to the variance and covariance structure of the observed variables.
We employed three indices: Comparative Fit Index (CFI), Tacker-Lewis Index (TLI),
and Root Mean Error of Approximation (RMSEA). For a good model fit, Hu and
Bentler (1999) suggest that a cut-off value of .95 for CFI and TLI, and .06 for RMSEA.
If CFI and TLI are above .90, the model is considered acceptable, whereas a model
with RMSEA above .1 is unacceptable.

A three-factor model (Model 1) was initially specified to show the entrepreneur-
community relationship, including CA, CC, and CS, with each factor measured by
three items. χ² to d. ratios were below 3, both CFI and TLI were above .95 and the
RMSEA was below .06, indicating a good model fit (Table 2). All factor loadings
were significant, and the standardised factor loadings were above .5 (Table 3).
Additionally, the composite reliability (CR) and average variance extracted (AVE)
values were derived for each factor. The CR values of all three factors were above .6,
and the AVE values were above .4. According to Fornell and Larcker (1981) and
Bagozzi and Yi, (1988), the present model exhibited an acceptable level of reliability,
because although AVEs are below .5, they are above .4, and AVEs are a relatively
conservative measure. If AVE is below .5, the variance due to measurement error is
larger than the variance captured by the construct. However, the reliability values are
at an acceptable level (CR >.6), thereby "the convergent validity of the construct is
adequate, even though more than 50% of the variance is due to error" as suggested by
Fornell and Larcker (1981:46). This is a very complex discussion. Fornell and Larcker (1981) give a fascinating, detailed and convincing justification for their views about AVEs on pages 40 and 46 of their paper.

It should also be noted that the three factors were highly correlated with each other in Model 1 (see Table 4). Particularly, CA and CC were correlated at .904, revealing a large proportion of common variance shared by these two constructs. This suggested that the two factors should be merged into one construct, as they could not be clearly differentiated. With no previous literature that has investigated these two constructs simultaneously, the authors, after carefully examining the items and the interview transcripts, concluded that the two constructs should be treated as conceptually similar. The rationale was that those who are emotionally attached to a community are naturally concerned about community affairs. Hence, CA and CC were combined into one single construct, and then named as CA in the subsequent analysis.

A second measurement model (Model 2) was constructed with two factors, CA measured by six items (with the combination of CA and CC), and CS measured by three items. As presented in Table 2, the CFI was above .95, whereas the TLI was slightly below .95, and the RMSEA was slightly below .06. The results showed an acceptable model fit. Table 5 reveals that all standardised loadings are above .5. Importantly, the composite reliability of the construct CA was considerably improved. The correlation coefficient between the two constructs was at an acceptable level of .697.

Shilin night market is a communal place of business for the entrepreneurs, rather than their places of residence. In order to examine the influence of place of residence on the measurement of CA and CS pertaining to SNM, we conducted a multiple-group CFA to evaluate the measurement invariance of Model 2 between these groups with residence within and outside of Shilin District. Three invariance models were specified and compared with each other. Table 6 shows all three models exhibited acceptable model fit. The differences in $\chi^2$ and CFI between models (Chen, 2007) were not significant, suggesting that the scalar invariance was achieved. These results show that entrepreneurs living within and outside of Shilin perceived the concept of community Shilin in the same manner. It is also observed that there are significant differences in the latent means of CA (-0.336, p<.001) and CS (-0.158, p<.05),
indicating that entrepreneurs who lived outside of Shilin were less attached to and satisfied with the community.

Finally, we included all the survey items in one measurement model (Model 3), consisting of five latent constructs. It is to be noted that a single-item measure has been used for the ST, following the guidance of Brown (2014). Its reliability was set as .91, taken from Lee (2013) where the same concept was investigated in a similar sample in Taiwan. The CFA results showed that the \( \chi^2/df \) was below 3, the CFI and TLI were above .9, and the RMSEA was below .06, indicating an acceptable model fit. All factor loadings were significant at \( p < .001 \). As shown in Table 7, all the standardised factor loadings were greater than .5. Except for CS whose CR and Cronbach’s alpha were around .68, all factors showed good reliabilities of above .8. The correlation matrix of the latent constructs is presented in Table 8. Based on the above results, the authors find the model reliable and efficient in measuring entrepreneur-community relationships, and their perceptions of impact and attitudes towards mainland Chinese tourists.

4.3 Structural models and analysis

After establishing a measurement model with acceptable model fit and reliability, structural paths were added. The aim was two-fold. We were interested in the influence of the entrepreneur-community relationship on their attitudes towards tourism. More importantly, the focus was on the potential mediation effect of the perception of BCT in the influence discovered in the SEM analysis. Therefore, two structural models were specified and examined successively. In both models, the frequency of contact with the mainland Chinese tourists was controlled for, in order to rule out its influence on the perception due to varied amounts of interaction.

Model 4 investigates the regression of the attitude towards tourism on two latent constructs, i.e. CA and CS. We then designed the second model, Model 5, as suggested by Baron and Kenny (1986), to investigate the mediation effects, which includes all five constructs, with CA and CS both directly and indirectly affecting the ST via the perceptions of BCT. As shown in Table 9, both models displayed an acceptable model fit.
The results of Model 4 (Figure 1) suggested that the effect of CA on ST was not significant ($\beta=-.096$, $p=.411$) and therefore H3 (and also H6) was rejected, whereas CS positively affected ST ($\beta=.478$, $p<.001$) and therefore H9 was accepted. It is noted that CA and CS were correlated at .692.

![Figure 1: Structural Model 4](image)

Moving a step forward, we tested the mediation effects of perceived BCT in Model 5. We deployed the bootstrapping procedure following the suggestion made by Zhao, Lynch Jr., and Chen (2010), and Preacher and Hayes (2008). We then examined the hypotheses 1 to 11. We also controlled for the influence of contact frequency of entrepreneurs with mainland Chinese tourists in the model.

In Model 5, CA and CS were correlated at .692. The construct of perceived benefits was negatively correlated with the perceived costs ($r=-.483$). The residual variances of perceived benefits, perceived costs and support were .692, .908 and .329 respectively, which translate to the model explaining 30.8% of the variance of perceived benefits, 9.2% of perceived costs, and 67.1% of the ST.

The results of Model 5 are presented in Figure 2 and Table 10. Both H1 and H2 were supported. The perceived benefits have a significant positive impact on the ST; similarly, the perceived costs have a significant negative impact on support. This result echoed most of the previous studies (Gursoy & Kendall, 2006; Gursoy et al., 2010), which suggest that attitudes towards tourism were influenced by the perceived BCT, reaffirming the SET. Entrepreneurs, as most of the residents, make decisions about supporting tourism development based on their perception of the associated BCT.
H4 (H7) was not supported, whereas H5 (H8) was confirmed by the modelling results. Note that H7 and H8 were not separately tested as CA and CC were merged into one construct as explained in Section 4.2 above. These results suggest that entrepreneurs who were more attached to the community tend to be more sensitive about the costs rather than the benefits derived from the visits of mainland Chinese tourists. This study agrees with Gursoy et al. (2002) and Lankford and Howard (1994) that CA has no significant correlation with perceived benefits but has a significant relationship with perceived costs. However, the results contrast with the findings of Lee (2013) where CA has a direct and significant effect on perceived benefits but not perceived costs. It should nonetheless be noted that this study is only targeted at entrepreneurs, not at general residents.

Meanwhile, H10 and H11 were both supported. It suggests that entrepreneurs who were more satisfied with the SNM tended to be more assertive about the benefits tourism brings and less concerned about the costs. This study also confirms Nunkoo and Ramkisson’s result (2010, 2011) on the positive relationship of CS with perceived benefits. It also agrees with Nunkoo and Ramkisson’s (2011) suggestion that residents might develop coping mechanisms to come to terms with the negative
effects of tourism. However, there is still limited understanding on when and how these mechanisms would operate.

In **Model 5**, we also estimated the total effect, direct effect, and indirect effect of the paths leading to the dependent variable, i.e. ST (**Figure 2**). The total effect is the sum of the direct effect measured by the simple path and all the indirect effects measured by the compound paths with endogenous constructs, which act as mediators between the cause and effect constructs (Alwin & Hauser, 1975). The total effect of CA on the ST was not significant, thereby H3(H6) was not supported as shown in **Table 10**. The indirect effects of CA on the ST were also not significant (see **Figure 2** and **Table 11**). The implication of these findings suggest that the CA of entrepreneurs is not a good predictor for their ST, although it is significantly related to their perception of costs. Given more sample size, it is possible that the trend will become significant: Those, who are more attached to, and concerned about the community, are less supportive of tourism, primarily due to the increased costs that they perceived.

The total effect of CS on the ST was significant, thereby H9 was supported (**Table 10**). This result agrees with Nunkoo and Ramkissoon (2010) but not with Ko and Steward (2002), who failed to find any significant relationship between these two constructs. This result suggests that entrepreneurs who were satisfied with the community, i.e. the SNM, tended to support the development of tourism, in this case related to the mainland Chinese tourists. The modelling results also revealed a full mediation by perceived benefits, but not perceived costs (**Table 11**). The contrast between the two mediation paths from CS to ST was significant, p<.01. These results imply that tourism development involving mainland Chinese tourists was mostly supported by the entrepreneurs who were satisfied with the SNM, as they tended to perceive more benefits than costs in the tourism business.

The level of CS of entrepreneurs has a positive impact on the perceived benefits and a negative impact on the perceived costs, i.e. the more satisfied the entrepreneurs are with the community, the stronger their perceptions towards the benefits brought by mainland Chinese visitors, and away from the costs. The resident with a high CS level is often contented with the management, public facilities, and environment of the community. This explains the positive correlation between CS and perceived benefits.
Additionally, it is interesting to observe a significantly positive relationship between contact frequency and the perception of costs, suggesting that entrepreneurs with more contact with mainland Chinese tourists tended to perceive more negative effects.

SNM has maintained an outstanding performance and the entrepreneurs commented highly on their business site as suggested by the qualitative interviews conducted with the entrepreneurs. The development of SNM is closely related to tourism. Hence, it is concluded that entrepreneurs with a high level of CS tend to be more optimistic about tourism development. Whereas, entrepreneurs with a higher CA might be more worried about tourism’s negative effects and the SNM’s possible declining attractiveness.

5. Conclusions and Recommendations
This study examines the relationships of entrepreneurs with their community and how these relationships affect their support for tourism development. It focuses on resident-participants, the small local entrepreneurs, who directly benefit from tourism development. The questions asked are also directed towards the impact of a specific group of tourists, those from mainland China, the largest group and allegedly those generating the most negative impact. The modelling also examines the factors of whether the entrepreneur reside in-situ or living in other districts, and their frequency of contacts with this tourist group. The selected research setting is a typical night market in Taiwan.

5.1 Theoretical contributions
The results reaffirm the applicability of SET in predicting the support for tourism development. This is not surprising and is as equally applicable to entrepreneurs as to a resident group. The construct of perceived benefits has a strong positive effect on support for tourism, whereas the construct of perceived costs has a weak negative effect on support for tourism. These findings correspond with many other studies (Gursoy et al., 2002; Nunkoo & Ramkissoon, 2011) looking at residents in general.

A resident, and entrepreneur alike, who has a greater level of community attachment is expected to have a greater level of emotional connection to, and rootedness in, the community (McCool & Martin, 1994). The authors find that community attachment is highly correlated with community concern, which measures the awareness and
attention paid by residents to community affairs. If a resident has a high emotional attachment to the community, it is reasonable to expect that he/she would probably pay more attention to the affairs of the community. The study thereby concludes that both constructs could be merged into one.

This study suggests that community attachment is not found to be an effective predictor of support for tourism amongst entrepreneurs. Although some studies find that community attachment has an impact on perceived benefits and costs, the results remain inconclusive (Choi & Murray, 2010; Lee, 2013). The total effect of community attachment on support for tourism was not significant, following the findings in Gursoy et al. (2002). Nevertheless, it is discovered that the entrepreneurs, like other residents, who had a higher community attachment level, would want to see their community continue to flourish and, therefore, were more sensitive to the costs of tourism.

The results suggest that the total effect of community satisfaction on the support for tourism was significant. A full mediation by perceived benefits was observed. It suggests that entrepreneurs who were satisfied with the community, for instance at SNM, tended to support the development of tourism, particularly related to mainland Chinese tourists. They tended to perceive more benefits from the tourism business but less negative impact. The direct effect of community satisfaction on support for tourism was not significant, indicating the unlikely existence of any omitted mediator. We can confidently conclude that community satisfaction is an effective predictor for support for tourism, which is fully mediated by perceived benefits.

This research is distinctive in that unlike most subjects of similar research, the SNM’s entrepreneurs had greater mobility, with more choices to move to other “communities (night markets)” than other residents do. SNM’s entrepreneurs can choose other business sites if tourism development there were to cause many negative effects (costs). That is why the characteristics of the special “community (SNM)” and “resident entrepreneurs” must be considered to balance the relationship of various interests to achieve sustainable development and share benefits in the community.

5.2 Practical implications
In a community where attachment is strong, where individuals are well integrated into community life, showing strong affective bonds and cultural linkages (McCool & Martin, 1994), the negative impacts of tourism should be adequately addressed to avoid loss of support from entrepreneurs and residents alike. The entrepreneurs at SNM are relatively mobile and able to relocate to other sites; some of them do not live in Shilin District but could be treated as resident entrepreneurs, as the findings show that they embrace a similar concept of community as their local peers. The entrepreneurs nonetheless show a strong satisfaction with the community and therefore, their decision to support tourism development is strongly influenced by their perception of the benefits of tourism.

It is recommended that an organisation be set up specifically to manage night markets in order to strengthen the emotional bond between night markets and entrepreneurs, as well as addressing the negative impacts of tourism. There is existing government supervision of night markets, but its function is limited when it comes to promoting the relationship between night markets and entrepreneurs and/or between the entrepreneurs themselves and/or between the entrepreneurs and the community. New institutions might be required to draw on the concepts of sustainable tourism (Lane, 2018) to manage night markets using partnership creation, destination management systems, visitor experience planning, sustainable tourism governance, and sustainable city tourism (Beaumont & Dredge, 2010; Scott & Cooper, 2010, Miller, Merrilees, & Coghlan, 2015). The creation of a new institution or institutions is justified by the growing discussion about the intensity of tourism in all destinations (see for example Oklevik, Gössling, Hall, Steen Jacobsen, Grøtte, & McCabe, 2019).

The world is embracing an increasing number of outbound mainland Chinese tourists. Host residents, including tourism entrepreneurs, might more strongly welcome the benefits of tourism, especially from China, if their community satisfaction is high. This research shows that community factors such as community attachment and satisfaction, and frequency of contact have significant relationships with the costs of tourism, which could become a decisive factor in cases of overtourism. Therefore, tourism managers need to understand that it is insufficient to emphasise only the benefits of tourism, without addressing the costs of overtourism, particularly in a host community with strong community attachment.
6. Limitations and Future Research

The data was collected from entrepreneurs based in a typical night market in Taiwan. The entrepreneurs have relatively high business mobility, compared to other sedentary small business entrepreneurs in local tourist destinations. This study has successfully ruled out the potential influence of the location of residence of entrepreneurs in the models. But, it is expected that immobility and over-dependency on tourist’s income might skew the entrepreneurs’ perception and perhaps render unquestioned support to tourism development.

To obtain more comprehensive understanding of the relationship between tourism entrepreneurs and their community, it is, therefore, worth replicating this research in other night markets or geographical regions where entrepreneurs might have different concerns. By commissioning a wider survey of entrepreneurs across all Taiwan’s night markets, the model could also show entrepreneurs contact with tourists, income, and issues such as entrepreneurs’ age and education levels.
References:


