

## UNDERSTANDING FACTORS INFLUENCING COMMUNITY LIFE SATISFACTION TOWARDS SUSTAINABLE HERITAGE TOURISM DESTINATION: THE CASE OF YOGYAKARTA, INDONESIA

NORZALITA ABD AZIZ\*<sup>1</sup>, ISTYAKARA MUSLICHAH<sup>2</sup> AND ABDUL HAFAZ NGAH<sup>3</sup>

<sup>1</sup>Graduate School of Business, Universiti Kebangsaan Malaysia, 43600 Bangi, Malaysia. <sup>2</sup>Fakultas Ekonomi, Universitas Islam Indonesia, 55584 Yogyakarta, Indonesia, <sup>3</sup>Faculty of Maritime Studies, Universiti Malaysia Terengganu 21030 Kuala Nerus, Terengganu, Malaysia.

\*Corresponding author: eita@ukm.edu.my

**Abstract:** Many countries focus more attention on their tourism potential as a tool for their regional economic development. Tourism has been generally recognized as a positive economic driver that has led many governments and community leaders in Southeast Asia region to treat tourism as an important aspect to improve the economic condition. Besides economic impact, tourism also has potential impact from different aspects, such as social, cultural and environmental. Community is considered one of the important pillars in the tourism planning process for sustainable tourism in the long run. However, understanding on how tourism perspective/concepts impact on a community's life satisfaction and community support in this region have not been well researched. The need to examine and analyse the relationship between community residents' perceived tourism benefits impact (economic, cultural, social and environmental) on community's life satisfaction and support is important in order to have a sustainable heritage tourism development. Yogyakarta is considered as one of the favourite tourists' destination in Indonesia and in Southeast Asia. Moreover, it is known as one of the heritage tourism destination that is rich with cultural, historical and traditional appeal for tourists in this region. Using survey with purposive sampling method among residents that reside surroundings the tourism objects, the study managed to collect 250 usable respondents. The PLS results indicate that community perception of tourism economic and cultural benefits influenced the community's life satisfaction and community support. However, the perceived tourism social and environmental benefits did not influence the community life satisfaction. The results also show that a community's life satisfaction had significant impact on community support in sustainable heritage tourism development.

**Keywords:** Perceived tourism benefits, community support, community life satisfaction, sustainable tourism development, Yogyakarta.

### Introduction

Global development now is focusing on the concept of sustainability which related to the three main pillars that is to sustain and keep existence of economic, environmental and social that directly and informally involving people, planet and profits. Tourism has been generally recognized as a positive economic driver especially in developed countries (Cooke, 1982). Kim, Uysal and Sirgy (2013) stated that tourism impact as an important component of tourism development and management. It is important to further understand the community perceived tourism impact in order to gain the

optimal outcomes of tourism development. Wall & Mathieson (2006) suggested that tourism impact can be analysed from different perspectives which comprises of economic, social, cultural and environmental. The sustainability of tourism development will need to integrate the environmental, social, cultural and economic perspectives in all decision making among marketers, government and policy holders (Dernbach, 2003).

Many scholars agree that tourism have potential impact on economic aspect such as revenues, new employment, additional tax income, foreign exchange benefits and positive

spill over effect on other industries. Tourism has been generally recognized as a positive economic driver especially in developed countries (Cooke, 1982). The second perspective, social, can be found from the more opportunities provided such as recreational facilities and parks which give more varieties on entertainment (Perdue *et al.*, 1991). For the cultural construct, Wang, Fu and Cecil (2006) found that tourism brings benefit to revitalize cultures. The last tourism perspective is environmental concept. Tourism impact on this perspective is that tourism can give an idea and awareness about environment preservation. This idea can be realized by exposing the natural beauty of the environment and investing more in infrastructure such as preservation of historic and heritage sites and better quality of roads and transportations (Perdue, Long & Allen, 1987).

In contrast, scholars do find that tourism impact also on the negative side (Lankford & Howard, 1994). This impact was obviously found in environment perspective. Tourism can cause pollution and destruction of environment (Var & Kim, 1989). From a social perspective, tourism also can contribute to social problems such as prostitution, gambling and begging (Andereck *et al.*, 2005). While culturally, tourism can disturb and exploit traditional culture and behavioural patterns (Kousis, 1989). However, all these negative impacts generally depend on residents' education level, values, moral and commitment to alert involved parties, for example by making and respecting clear regulations.

Indonesia as the biggest archipelago country in the world has many potentials on natural, cultural, art, historical and heritage that are very important for tourism development. These resources and assets should be managed and utilized optimally through sustainable tourism development which generally aims to improve the national welfare (Nandi, 2008). Tourism development has spread to all the regions in this province and tourists generally call Yogyakarta, or Jogja as the short name, to represent these entire regions. This study focused on Yogyakarta as a special province in Indonesia, established in the 18th century. This historical background is one of the primary reasons that support

Yogyakarta as a tourism city. The city is known as a heritage tourism destination which is rich in cultural, historical and traditional appeals such as traditional and unique architecture, traditional Javanese dance, *wayang kulit* (shadow puppets), gamelan orchestras and also handicrafts such as batik, silverware, masks, sculptures and leather (Hampton, 2003).

The emerging tourism development in Yogyakarta was manifestly begun in the mid to late 1970s. It was highlighted by the establishment of hotels and restaurants which grew like mushrooms (Hampton, 2003; Hill & Mubyarto, 1978). Some positive impacts in economic perspective are employment, increased revenues and investment opportunities. Badan Pusat Statistik (2013) reported that there was consistent decline in the unemployment rate in 2010 until 2012. It also reported that domestic investors prefer to invest in hotel, accommodation and restaurants industries (34.15%) and textiles industries (34.09%) especially after the patent of batik as Indonesian traditional artwork. There was also consistent increased in local revenue of tourism sector. Wang, Fu and Cecil (2006) stated that tourism brings benefit to revitalize and to preserve cultures. There were about 3.54 million tourists (3.398 million of domestic tourists and 148.5 thousand of foreign tourists) visited Yogyakarta in 2012. These figures show that 5.87% increased of the number of tourists per year, specifically 12% increased of foreign tourists and 5.6% increased of domestic tourists per year (BPS DIY, 2013). Undeniably, tourism development has not only protected the community quality of life living near tourism destination but also developed a more sustainable tourism industry (Harill, 2004).

This article is based on sustainable development concept and stakeholder theory because sustainability has become a crucial topic in relation to sustainable tourism development. Tourism development has positive and negative effects on the community from different constructs or perspectives; social, economic, culture and environment (Yuksel *et al.*, 1999; Southgate & Sharpley, 2002; Byrad, 2007). According to Ko and Stewart (2002),

the local community needs to host and be involved in tourism related activities in order to be sustainable. However, there are still very limited studies that focus on tourism impacts on community's life satisfaction and support for sustainable tourism development especially in this region (Ko & Stewart, 2002). Looking at the current condition of tourism in Yogyakarta and the related issues studied by previous scholars, this study attempts to examine the tourism impacts toward community's life satisfaction on sustainable heritage tourism development. Specifically, this study aims to examine the perceived economic benefits, perceived social benefits, perceived cultural benefits, and perceived environmental benefits toward community's life satisfaction that would influence the community support for sustainable heritage tourism in Yogyakarta. Consequently, the objective of this study is to contribute to the academic literature as well as managerial references by providing relevant information for sustainable heritage tourism development.

### ***Sustainable Tourism Development***

World Tourism Organization (WTO) gave an endorsement and encouraged the tourism practitioners to apply sustainability approach in their tourism development activities. WTO (1998) defined sustainable tourism development as: "Sustainable tourism is tourism development that meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems."

From the WTO definition, we can summarize that for any destination to have sustainable tourism development, there are two stakeholder groups involved; the tourists and the host community. Economic, social, environment and cultural concepts or perspectives serve as the basis of sustainable tourism development (WCED, 1987). In the stakeholder theory, it

explains that changes in the community will have a great impact on the individuals or the community that live in the surrounding tourism areas. Thus, the type of services that they need, want, where are depending on the resource's availability in the host community (Byrd, 2007). Bramwell and Sharman (1999) indicated that stakeholder theory shows that collaboration within government official, non-government officials such as tourism marketers, DMOs and the local community is needed to sustain heritage tourism development in any destination.

Likorish and Jenkins (1997) suggested three types of trades in tourism; the primary trades (transport, tour companies, accommodations), the secondary trades (retail shopping, banks) and the tertiary trades (food and fuel, public sector services). Moreover, tourism is not a single product as there are three distinct tourism products; the experience (what tourists see and experience), the place (tourist destination) and the individual products (i.e. accommodation, souvenirs) (O'Fallon, 1994). Sustainable tourism development is to ensure meeting the basic needs of the society and to extend opportunity of tourism development for better quality of life. It is not a static process, but it needs to be flexible and adaptable to the current situation of the uncontrollable of macro environmental factors. Therefore, it makes tourism became a complex and fragmented object especially in applying sustainable approach. The tourism stakeholders take an important role in the sustainable tourism development. Swarbrooke (1999) identified six main groups of tourism stakeholders; public sector (government), tourism industry, voluntary sector organization, host community, media and tourists. It is obvious that they have different interests and needs in tourism. Thus, it becomes a challenge to apply the sustainable approach in tourism development. Destination competitiveness can be enhanced through various strategies such as sustainable development, destination management, quality of service experience and many more (Buhalis, 2010; Richies & Crouch, 2000; Dwyer & Kim, 2003).

Previous literature revealed that there are four main tourism concepts or perspectives that will give impact to the host community in the sustainable tourism development; social, economic, cultural and environmental. In the context of social factor, it will give a positive as well as negative impact to the community at large. Lankford and Howard (1994) and Kim *et al.* (2013) stated that tourism development provides a positive social impact by enhancing and increasing the opportunity in terms of infrastructure and facilities such as roads, better transportation, parks and recreational centres for the community. However, without proper control, this impact of social in tourism will lead to negative consequences to the society such as congestions, prostitution, gambling, loss of traditional and cultural values among society (Anderack *et al.*, 2005; Kim *et al.*, 2013). The second factor is in terms of the economic impact of tourism; many studies stated that tourism gives positive impact by improving the standard of living for the society, (e.g. Um and Crompton, 1990), contributing to business and investment (Prentice, 1993; Liu *et al.*, 1987). There are several studies indicated the negative economic impact such as increases of prices of goods and services as well as property (Lundberg, 1990; Weaver & Lawton, 2001). Third factor is related to the culture construct of tourism impact, studies such as Wang, Fu and Cecil (2006) and Tosun (2006) argued that tourism development will reinvigorate the existing traditional culture from disappeared as well increase the image of the local culture. However, tourism also has been accused of changing the culture values as well as interrupting with the structure of the local cultures among host community (Kousis, 1989; Pearce, 1996). Lastly, it is related to environmental factor of tourism impact whereby this construct refers to physical environment which includes natural and manmade components that are important element in developing key competitiveness of a destination (Michalic, 2000; Yu, 2014). Preservation of this construct is important that attracts tourists and must also satisfy the quality of life among host community (Reimer & Walter, 2013).

Lee (2013) analysed the relationship between tourism impacts in term of benefits (positive side) and costs (negative side) and residents' support for sustainable tourism management. Lee found that community's perception of tourism benefits has positively affected their support on sustainable tourism development while their perception of tourism costs negatively affected their support of sustainable tourism development. Kim, Uysal and Sirgy (2013) elaborated another model to examine the influence of tourism impacts on community's life satisfaction mediated by their sense of well-being and moderated by tourism development stages. They found that economic and cultural impacts have significant effect on community's life satisfaction mediated by their sense of well-being (sense of material and emotional well-being).

### **Community Support**

Any impact from the tourism activities will affect the lives of people who live in tourism destination area (Jurowski, Uysal & Williams, 1997). The lifestyle of the community in tourist destination will be based on the influence of the changes occurred in economic, social, cultural and environment as a result of the ongoing tourism development (Lee, 2013). Community willingness to support the tourism development such as willingness to participate and obey the rule and regulation are important criteria to achieve the goal of sustainability (Sutawa, 2012). Thus, community support and involvement are crucial to the implementation of sustainable tourism development. Prior studies such as Lee (2013) used the social Exchange Theory and Stakeholder Theory to determine community support for tourism development. If the community perceived that they gain benefits, they are willing to support the additional tourism development and vice versa. Support for sustainable tourism development has been broadly studied in Western nation. However, it is still debatable in Eastern nations (Nicholas, Thapa & Ko, 2009). Thus, it is important to understand the precedents of community support

for sustainable tourism development in order to manage the tourism successfully.

### ***Community Life Satisfaction***

Kim, Uysal and Sirgy (2013) defined life satisfaction as perceived quality of life or overall sense of well-being which lies in various life domains; material, community, emotional and health and safety. Residents' sense of wellbeing is commonly affected by the tourism impacts which classified in four perspectives; economic, social, cultural and environmental. Ko and Stewart (2002) explained that the tourism impacts on community's satisfaction is based on seven domains; public service, formal education, environment, recreation opportunities, economics, citizen involvement and social opportunities and medical services. Ko and Stewart also classified the tourism impacts based on economic, social and cultural and environmental that have positive and negative sides. The result of the study stated that the positive tourism impacts can predict the community life satisfaction. Meanwhile, Jurowski, Uysal and Williams (1997) stressed that the quality of community lives in a tourism destination affected by the impact of its tourism activities. Lee (2013) posited that community satisfaction would lead to tourists being welcome and provide visitors with quality experience.

### ***The Influence of Community Life Satisfaction on Community Support***

Community's life satisfaction is the perceived quality of life or overall sense of well-being in various life domains; material, community, emotional and health and safety (Kim, Uysal & Sirgy, 2013). Ko and Stewart (2002) determined community's life satisfaction by dividing it to seven domains; public service, formal education, environment, recreation opportunities, economics, citizen involvement and social opportunities and medical services. Purdue, Long and Allen (1990) conducted a research examining the relationship between overall community satisfaction and their support for additional tourism development. They found

that overall community's life satisfaction has the negative effect on community support for additional tourism development. However, this was contradicted to Ko and Stewart's (2002) findings in Cheju Island, Korea, which did not prove that overall community's life satisfaction has the negative effect on community support for additional tourism development. While another study by Lee (2013) found that perceived tourism benefits positively affect community's life satisfaction. Ko and Stewart (2002) stressed that community's life satisfaction had a positive influence on community support for sustainable tourism development. According to Jurowski and Gursoy (2004), community participation and involvement play a crucial role in community support for tourism services and development. Thus, we propose that:

Hypothesis 1: Community's life satisfaction positively affects community support for sustainable tourism development.

### ***The Influence of Perceived Cultural Benefits on Community Satisfaction***

Cultural impact is commonly found in cultural revitalization activities such as meeting tourists from all over the world and cultural exchange (Wang, Fu & Cecil, 2006). Kim, Uysal & Sirgy (2011) stated that perceived cultural impact has the positive effect on community's sense of emotional well-being as well as life satisfaction. According to Spenser and Nsiah (2013), community support is considered as an integral part of tourism product and hospitality, which community can affect tourists' satisfactions. Ko and Stewart (2002) found that perceived tourism cultural impact positively influenced the community overall satisfaction. Regarding this, Lee (2011) adds that community satisfaction will lead their support to enhance and provide high quality experiences to visitors. Therefore, we propose the following hypotheses:

Hypothesis 2: Perceived cultural benefits positively affect community life satisfaction.

Hypothesis 6: Perceived cultural benefits positively affect community support.

### ***The Influence of Perceived Economic Benefits on Community Satisfaction***

Many scholars agreed that tourism have potential impact on economic aspect such as revenues, new employment, additional tax income, foreign exchange benefits and attracts other industries to involve in tourism development. Tourism has been generally recognized as a positive economic driver especially in developed countries (Cooke, 1982). Government and community leaders have been treating tourism as an important aspect to improve the country's economic condition. It also reflects on Yogyakarta's tourism development vision for 2012-2025: To be the world class tourism destination which has competitive advantage, cultural mind set, sustainability and be able to encourage a community-based regional development as a key pillar of the economy. Kim, Uysal and Sirgy (2013) found that perceived economic impact has positive effect on community's sense of material well-being and overall community sense being (life satisfaction). Ko and Stewart (2002) revealed that perceived tourism economic impact is also positively influenced community's life satisfaction. Spenser and Nisiah (2013) stressed that community support is crucial and part of tourism product in which community can affect visitors' satisfactions, expenditure levels and propensity to visit again because community support and involvement for visitor services and improved access facilities could significantly contribute to the success of tourism development. Thus, based on the previous ideas, we propose the following hypotheses:

Hypothesis 3: Perceived economic benefits positively affect community's life satisfaction.

Hypothesis 7: Perceived economic benefits positively affect community support.

### ***The Influence of Perceived Social Benefits on Community Satisfaction***

Previous scholars have conducted related studies about tourism impact and classified social and cultural perspective as one entity. Social impact usually lies on facilities improvement such as parks, outdoor recreation facilities and

entertainment facilities (Lankford & Howard, 1994). As explained by Ko and Stewart (2002) that perceived positive tourism impact comprised of social and cultural that positively influenced the residents' overall satisfactions. Allen *et al.* (1988) revealed that there is relationship between perceived social benefits and community well-being and life satisfaction. Based on the above discussion, we propose that:

Hypothesis 4: Perceived social benefits positively affect community life satisfaction.

### ***The Influence of Perceived Environmental Benefits on Community Satisfaction***

According to Var and Kim (1989), tourism impact on environmental perspective is related to awareness of preserving the environment. This idea can be realized by exposing the natural beauty of the environment and investing more in infrastructure such as better quality of roads and transportations, improvement of tourism sites' appearance and image as well as utility infrastructure (supply of water and electric). Ko and Stewart (2002) proved that perceived positive tourism impact including environmental impact positively influences community's overall satisfaction. Allen *et al.* (1988) found that there is a relationship between perceived environmental benefits and community's sense of health and safety as well as it is positively influenced community's life satisfaction. Thus, we propose:

Hypothesis 5: Perceived environmental benefits positively affect community life satisfaction.

Based on literature review and conceptual background, Figure 1 illustrates the conceptual framework of this study, adopted with some modification from Lee (2013), Ko and Stewart (2002) and Kim, Uysal & Sirgy (2013).

### **Research Methodology and Variables Measurement**

This research applied non-probability sampling whereby the selection of respondents was based on purposive sampling method using judgmental sampling. Non-probability sampling

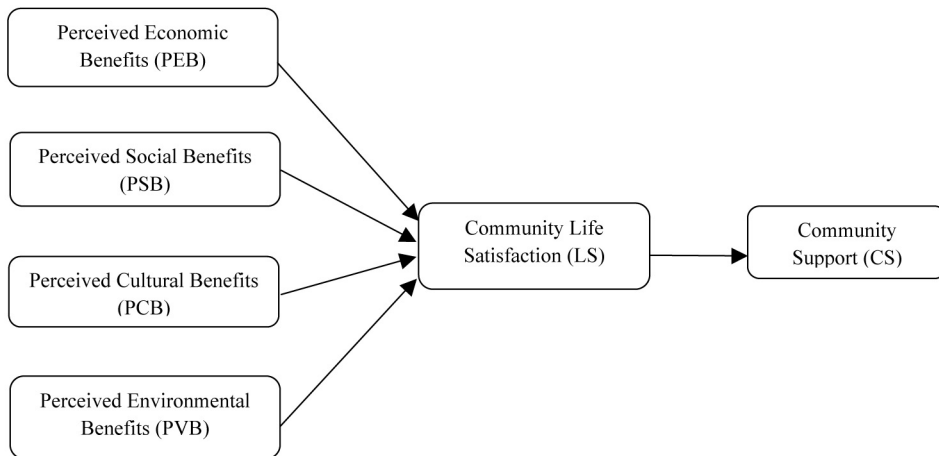


Figure 1: Proposed Conceptual Model

is a sampling method whose probability of each unit sample is unknown. The selection of sample unit is based on some type of intuitive judgment or knowledge of the researcher. The degree to which the sample may or may not represent the target population depends on the sampling approach and how good the researcher implements and controls the sampling activities. Judgment sampling is one method of non-probability sampling in which the respondents were selected based on their experience that is believed can meet the required information of the research (Hair, Bush & Ortinau, 2006). It is associated with choosing a subject which occupies the best position to provide the required information. The study population consisted of residents (adults) who live in Yogyakarta near the tourism object and have an ID issued by Yogyakarta’s government.

The quantitative method used to test the proposed research hypotheses included the development of a survey questionnaire to measure the community’s perceptions on the mentioned constructs. The justification for the selection of this method was based on several reasons. First, the survey-based method that involves with the questionnaire is considered effective in eliciting specific and primary information from target respondents. Second, the chosen method can assist the examination

of factors and the relationships involved (Hair *et al.*, 2010). The data were collected through questionnaires administered by enumerators with 300 questionnaires were distributed to local communities from main areas such as Sultan Palace, Malioboro street, Kota Gede, Borobudur Temple and Prambanan Temple in Yogyakarta. A total of 250 usable questionnaires that fulfilled the rules of sample size should be larger than 30 and less than 500 as indicated by Sekaran (2003).

The research measurement items were translated to Bahasa Indonesia using 6-point Likert scale ranging from "strongly disagree" to "strongly agree". Back translation was performed by the authors to resolve differences between the English language and Bahasa Indonesia. All measurement items had been validated in previous studies that were considered appropriate for this study. The questionnaire consisted of six major sections which are 1) Perceived Economic Benefits (PEB), 2) Perceived Social Benefits (PSB), 3) Perceived Cultural Benefits (PCB), 4) Perceived Environmental Benefits (PVB), 5) Life Satisfaction (LS) and 6) Community Support (CS). Perceived Economic Benefits (PEB) was measured by 10 questions which were adopted from Lee (2013), Choi (2012) and Kim, Uysal and Sirgy (2002). The variable of Perceived Cultural Benefits (PCB) was measured through ten items adopted from

Ko and Stewart (2002), Choi (2012), Lee (2013) and Kim, Uysal and Singy (2013). Six questions were asked to determine the Perceived Social Benefits (PSB) from the respondents. They were adopted from Ko and Stewart (2002), Choi (2012) and Kim, Uysal and Singy (2013). Five items measuring the Perceived Environmental Benefits (PVB) were adopted from McGhee, Anderack and Vogt (2001), Ko and Stewart (2002), Choi (2012), Lee (2013) and Uysal and Singy (2013). Respondents were asked to determine their Life Satisfaction (LS) through four items which were adopted from Kim, Uysal and Singy (2013). Twelve questions were used to measure the likelihood of the community to support (CS) were adopted from McGhee, Andereck and Vogt (2001) and Lee (2013). To assess the model, a Smart PLS 2.0 (M3) software was used to analyse the data collected with structural equation modelling – Partial Least Square (SEM-PLS) approach. PLS was used in this study because of its ability to give more accurate effects for the estimated relationships and improves the validation. (Chin *et al.*, 2003; Helm *et al.*, 2010).

## Findings

### *Descriptive Characteristics of Respondents*

The respondents were equally distributed based on gender that comprised of 49.6% male and 50.4% female. The largest age group that participated (52%) in this study is from the age of 25 to 35 years old. The least number came from the group of those aged less than 24 years old (4%). This research also looked at how long the person has lived in Yogyakarta. The longer they have been living in Yogyakarta, the more appropriate they are to be the respondent because they have experiences and local knowledge of this heritage city. There were about 58% of respondents who have been living in Yogyakarta for more than 20 years. Only 5% have been living for less than 5 years. 72% of them have bachelor's degree as their latest education and only 13% have a postgraduate qualification. The remaining respondents' tertiary levels are only elementary and high school. 35% of the

respondents worked for private companies and 24% were college students. About 36% of the respondents have the highest monthly income range which is more than Rp 4,000,000. This number is consistent with the majority of the respondents' education level (bachelor's degree) in Indonesia.

### *Data Analysis*

The data were analysed using the Smart PLS version 3.2.6 software developed by Ringle, Wende and Becker (2015), which is a variance-based structural equation modelling (SEM). It is a better choice to present the analysis instead of covariance-based SEM due to the purpose of this study is to predict the relationship between variables tested in the research model rather than reproducing of the covariance matrix to achieve model fit (Hair *et al.*, 2014). On the other hand, Smart PLS is also suitable for data which do not meet the normality requirements. As proposed by Hair, Hult, Ringle and Sarstedt (2017), the study was tested the multivariate normality by looking at the skewness and kurtosis using the software available; <https://webpower.psychstat.org/models/kurtosis/results.php?url=35c61a7b38ba2b14fd0931913493bbc9>. The results showed the research data was multivariate and is not normal, Mardia's multivariate skewness ( $\beta = 5.383$ ,  $p < 0.01$ ) and Mardia's multivariate kurtosis ( $\beta = 54.394$ ,  $p < 0.01$ ), supporting the decision to use Smart PLS, which is a non-parametric analysis software. Data was analysed following Anderson and Gerbing (1988), the two-step analytical procedure. The first step is to evaluate the measurement model which has the convergent validity and discriminant validity. After confirming the validities, the structural model will be tested to test the hypotheses. The bootstrapping procedure with 500 resamples which is higher than the original sample of the study, following to the procedure mentioned by Hair, Thomas, Hult, Ringle and Sarstedt (2017) to determine the significance level of loadings and path coefficients before testing the measurement model. Since the data was collected using a single source, though common



method variance should be an issue for the study and the proposed methods on how to remedy this common method variance (CMV) issue, thus, this study adopted Harman's Single factor test to ensure that the common method variance is not a problematic. The CMV is a serious issue if the first factor explained the majority of the explained variance (Podsakoff *et al.*, 2003). The un-rotated factor analysis in the study shows that the 1st factor only explained 34.76% of the total variance, thus the CMV is not an issue for this study.

**Measurement Model**

To confirm the measurement model, two types of validity must meet the convergent validity and the discriminant validity. Convergent validity measures the degree to which multiple items measure the same concepts in agreement (Hair *et al.*, 2017). In order to assess the convergent validity of the measurement model, the loadings, AVE and CR must meet the threshold value (Chin 2010; Hair, Ringle and Sarstedt, 2011). Hair *et al.* (2017) proposed that loading must exceed 0.5 and CR must higher than 0.7. On the other hand, Barclay *et al.* (1995) set up 0.5 as a minimum value for AVE. Table 1 shows that the loadings, AVEs and the CR of the constructs were higher than the threshold value mentioned by Hair *et al.* (2014) and Barclays *et al.* (1995). Therefore, convergent validity requirements are relevant for the study. The discriminant validity is the extent to which a construct is truly distinct from other constructs by empirical standards (Hair *et al.*, 2017). Previously, the discriminant validity has been measured according to the Fornell and Larcker (1981) criterion. But, due to some criticism in this method, Henseler *et al.* (2015) proposed a heterotrait-monotrait (HTMT) of the correlation. Henseler *et al.* (2015) proposed that if HTMT is higher than 0.9, it is an indicator that the model lacks of discriminant validity. Table 2 shows that all value fulfils the criterion of HTMT0.9 (Gold *et al.*, 2001) and HTMT 0.85 (Kline *et al.*, 2011). Hence, discriminant validity has been established in the study.

Table 1: Validation of the measurement scales

Construct	Item	Loading	CR	AVE
CL	CLS1	0.716	0.812	0.520
	CLS2	0.757		
	CLS3	0.768		
	CLS4	0.637		
	PCB1	0.765		
	PCB2	0.817		
PC	PCB3	0.788	0.908	0.621
	PCB4	0.779		
	PCB5	0.789		
	PCB6	0.790		
	PEB1	0.644		
	PEB2	0.732		
PE	PEB3	0.793	0.884	0.562
	PEB4	0.807		
	PEB5	0.782		
	PEB6	0.726		
	PSB1	0.620		
	PSB2	0.717		
PS	PSB3	0.780	0.875	0.539
	PSB4	0.747		
	PSB5	0.747		
	PSB6	0.781		
	PVB1	0.755		
	PVB2	0.769		
PV	PVB3	0.830	0.906	0.659
	PVB4	0.891		
	PVB5	0.807		
	SS1	0.778		
	SS2	0.736		
	SS3	0.874		
SS	SS4	0.857	0.927	0.681
	SS5	0.835		
	SS6	0.864		

Table 2: Convergent Validity

Heterotrait-Monotrait Ratio (HTMT)						
	LS	PCB	PEB	PSB	PVB	CS
CLS						
PCB	0.412					
PEB	0.423	0.555				
PSB	0.344	0.612	0.711			
PVB	0.166	0.321	0.380	0.740		
CS	0.422	0.555	0.701	0.779	0.631	

Note: CR = Composite Reliability, AVE = Average Variance Explain  
 Note: Discriminant validity established at HTMT<sub>0.85</sub>

**Structural Model**

Before testing the structural model, it is crucial to confirm that there is no collinearity issue in the structural model. Table 3 below shows that the VIF value for each construct is lower than the conservative value of 3.3 (Diamantapoulos & Sigauw, 2006). Hence, it also indicates that collinearity is not an issue for the study.

Table 3: Collinearity test

	VIF
CLS	1.000
PCB	1.483
PEB	1.685
PSB	2.614
PVB	1.690

After confirming the measurement model and the collinearity issue, next is the assessment of structural model. Table 4 shows result of the path coefficient assessment using the bootstrapping procedure to test the hypothesis generated from the research model. From seven hypotheses tested, five hypotheses were supported and two were found as unsupported. Among five hypotheses supported, four of them significant at 99% confidence interval (LS -> CS,  $\beta=0.339$ ,  $t=5.963$ ,  $LL=0.238$ ,  $UL=0.455$ ; PCB -> CLS,  $\beta=0.224$ ,  $t=3.426$ ,  $LL=0.100$ ,  $UL=0.368$ ; PEB -> CS,  $\beta=0.201$ ,  $t=2.397$ ,  $LL=0.052$ ,  $UL=0.371$ ; PCB -> CS,  $\beta=0.076$ ,  $t=3.004$ ,  $LL=0.032$ ,  $UL=0.130$ ;) and one relationship significant at

95% (PEB -> CS,  $\beta=0.068$ ,  $t=1.968$ ,  $LL=0.016$ ,  $UL=0.144$ ). Hence, it confirmed that Life Satisfaction, Perceived Cultural Benefits and Perceived Economic Benefits have positive relationship with Community Support while Perceived Cultural Benefits and Perceived Economic Benefits have positive relationship with Community Life Satisfaction.

**Structural Model Assessment**

Table 4 presents the results of the hypotheses testing. Interestingly the statistical results showed that five of the hypotheses were supported. The results revealed that Community’s Life Satisfaction (LS) influenced Community Support (CS) of tourism activities. Perceived Cultural Benefits (PCB) and Perceived Economic Benefits (PEB) influenced the Community’s Life Satisfaction (LS) and Community Support (CS). Surprisingly, Perceived Social Benefits (PSB) and Perceived Environmental Benefits (PVB) did not influence the Community Life Satisfaction (LS) in Yogyakarta.

**Discussion**

The results are aligned with the previous study done by Kim, Uysal and Sirgy (2013). They found that economic and cultural impacts have a significant effect on community’s life satisfaction. However, the two other perspectives; social and environmental have no

Table 4: The summary of hypotheses testing results

Hypothesis	Relationship	Beta	Se	T value	LL	UL	Decision
H1	LS -> CS	0.339	0.057	5.963	0.238	0.455	Supported**
H2	PCB -> LS	0.224	0.065	3.426	0.100	0.368	Supported**
H3	PEB -> LS	0.201	0.084	2.397	0.052	0.371	Supported**
H4	PSB -> LS	0.029	0.104	0.280	-0.179	0.222	UnSupported
H5	PVB -> LS	0.006	0.080	0.077	-0.108	0.193	UnSupported
H6	PCB -> CS	0.076	0.025	3.004	0.032	0.130	Supported**
H7	PEB -> CS	0.068	0.035	1.968	0.016	0.144	Supported*

Notes: LL, Lower Limit; UL, Upper Limit at 95% and 99% confident interval. \*p <0.05:\*\* p<0.01.

*Assessment of the Measurement Model*

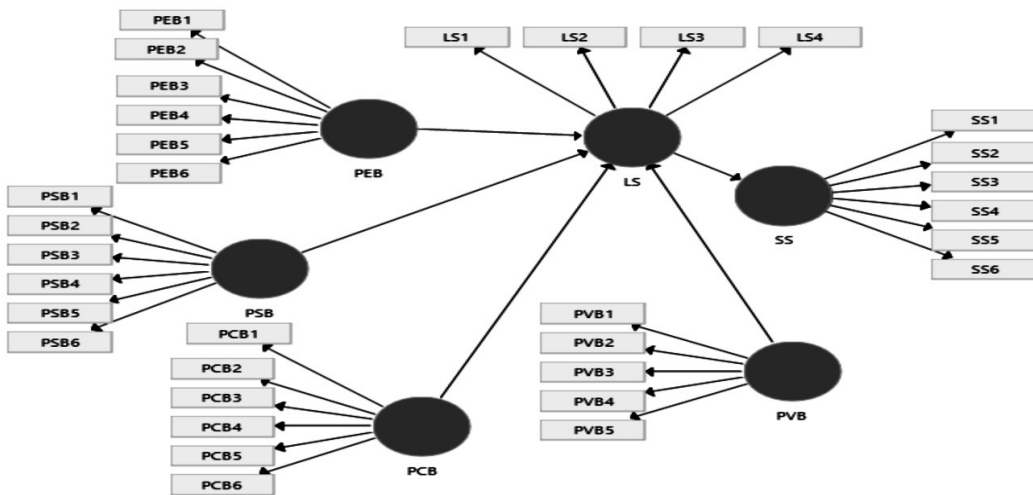


Figure 2: Results of the path analysis

PSB – Perceived Social Benefits, PCB – Perceived Cultural Benefits, PEB – Perceived Economic Benefits, PVB – Perceived Environmental Benefits, LS – Community Life Satisfaction, SS – Community Support

significant positive influence on community’s life satisfaction. The plausible explanation can be based on Andereck, Valentine, Knopf and Vogt (2005) who stressed that tourism could contribute to social problem such as prostitution and gambling. The results of this study explained previous study by Kim, Uysal and Sirgy (2013) that highlighting life satisfaction is not influenced by community well-being and safety and health especially in decline stage of the tourism development. Since Yogyakarta has been known as tourism destination since 1970, this showed that Yogyakarta now may be in

maturity stage which is close to a decline stage. Hence, positive social and environmental impact is no longer factors that influence community’s life satisfaction.

There were positive influenced of community's life satisfaction on their support for sustainable tourism development as shown in the previous studies such as Lee (2013). This study revealed that perceived tourism benefits positively affect community's life satisfaction and positively influence community's support for sustainable tourism development. Therefore, the local community's perspective toward

sustainable heritage tourism development is crucial in determining the success and failure of a heritage tourism destination. If a community is dissatisfied, then it would lead to tourists not being welcome as indicated by Muganda Sirima and Smith (2013).

This study has several important contributions to the parties involved in tourism development such as local government and tourism planners. The issue of sustainable tourism development forces these parties to plan the tourism development not only for a short term but also for the long term. The results found that the more economic and cultural impact the community perceived positively, the more they feel satisfied with their overall life. Furthermore, they would be more supportive of additional tourism development applying sustainable approach. This is because of economic benefits that tourism brings particularly in increasing employment opportunities among the locals. This income generator will directly enhance the well-being of the local community with a better and improved general infrastructure. Hsueh and Yeh (2014) explained that impact of economic benefits such as transportation and infrastructure is important in determining the success and sustainable of a tourism destination and at the same time will enhance its competitiveness.

The study showed that perceived cultural benefits influenced the community life satisfaction and support. This indicates that the tourism can enhance the local cultural identity as well as improve the resident's standard of living. A well-managed heritage tourism development can lead to preservation of cultural values among the community. The community is willing to support because they can receive benefits of cultural aspect such as promoting local crafts, arts, music and buildings to visitors, which directly influence the life of community in Yogyakarta. Therefore, policy makers, local government, tourism planners and marketers should attentively focus on the economic and cultural benefits in the current situation and in the future. In order to achieve sustainable tourism values and cultural, local government

and tourism planners should manage the tourism activities that are sensitive to cultural and economic perspectives.

Based on past studies such as Bramwell and Sharma (1999), Byrd (2007), tourism planners and policymakers can monitor the demographic trends of local community in a tourism destination. This will allow DMOs, tourism marketer and local government to make right decisions that meet the needs of the future community. This will certainly assist them to propose longterm plans with the local host communities that include economic development, infrastructure, education, cultural preservation and sustainable heritage destination management. It also can be enhanced by shaping positive culture by engaging local actors or residences, facilitating dialogue and information sharing among the community. Lastly, local government and tourism planners should ensure that businesses, industries and institutions to collaborate as well as compete with financial viability and investing in variety of ways such as community-based tourism in Yogyakarta.

## Conclusion

This study has investigated the importance of cultural benefits and economic benefit constructs on life satisfaction and support towards sustainable heritage tourism from local communities' perspectives. Based on Yogyakarta local communities' views, the results revealed that perceived cultural and economic benefits are the important factors in contributing to the locals' life satisfactions and their support towards sustainable heritage tourism destination competitiveness. Furthermore, this study provides empirical evidence and information to tourism planners, marketers as well policymakers in Yogyakarta to enhance and protect their cultural values which contribute to the wellbeing and economy of the locals as well as heritage tourism destination success. Collaborating with the local community will definitely be an effective strategy to enable sustainable heritage tourism destination.

Future studies should thoroughly examine this research framework in other settings to generate better understanding. It is suggested that cross-cultural studies as a comparison as well as other setting such as conservation tourism could enhance understanding in this context. It is recommended for future studies to put development stages (introduction, growth maturity and decline) into the framework so the practitioners could set a right time for certain tourism activities. For example, in a decline stage, residents' perceived environment impact is no longer prediction for their life satisfaction. Thus, focus should be given on the improvement of environmental perspectives. The competitiveness of a heritage tourism destination is very much depending on the availability of cultural and economic benefits to increase life satisfaction and community support. The empirical evidence offers actionable information to tourism planners and policymakers on the cultural and economic benefits that have a profound influence on sustainable heritage tourism destination.

### Acknowledgements

This study was partially supported by LESTARI, Universiti Kebangsaan Malaysia (The Impact of Tourism Development, Heritage and Ecotourism Sustainability Study: PIP-2013-001).

### References

- Allen, L. R., Long, P. T., Perdue, R. R., & Kieselbach, S. (1988). The Impact of Tourism Development on Residents' Perceptions of Community life. *Journal of Travel Research*, 27: 16-21.
- Andereck, K. L., Velentine, K. M., Knoft, R. C., & Vogt, C. A. (2005). Residents' Perceptions of Community Tourism Impact. *Annals of Tourism Research*, 32(4): 1056-1076.
- Andereck, K., Valentine, K., Knopf, R., & Vogt, C. (2005). Residents' Perceptions of Community Tourism impacts. *Annals of Tourism Research*, 32: 1056-1076.
- Badan Pusat Statistik Daerah Istimewa Yogyakarta. (2013). *Statistik Daerah Istimewa Yogyakarta*. Yogyakarta: Badan Pusat Statistik Provinsi Daerah Istimewa Yogyakarta.
- Bramwell, B., & Sharma, A. (1999). Collaboration in Local Tourism Policy Making. *Annals of Tourism Research*, 26(2): 392-415.
- Byrd, E. T. (2007). Stakeholders in Sustainable Tourism Development and Their Roles: Applying Stakeholders' Theory to Sustainable Tourism Development. *Tourism Review*, 62(2): 6-13.
- Chin, W. W., Marcolin, B. L., & Newsted, P. R. (1998). The Partial Least Squares Approach to Structural Equation Modelling. In G. A. Marcouliefs (Eds.) *Modern Methods for Business Research* (295-336).
- Choi, S. H. (2012). The Impact of Tourism and Local Residents' Support on Tourism Development: A Case Study of the Rural Community of Jeongseon, Gangwon Province, South Korea.
- Cooke, K. (1982). Guidelines for Socially Appropriate Tourism Development in British Columbia. *Journal of Travel Research*, 21(1): 22-28.
- Dernbach, J. C. (2003). Achieving Sustainable Development: The Centrality and Multiple Facets of Integrated Decision Making. *Indiana Journal of Global Legal Studies*, 247-285.
- Diamontopoulos, A. (2006). The Error Term in Framework Measurement Models: Interpretatio & Modelling Implications. *Journal of Modelling in Management*, 1(1): 7-17.
- Dinas Pariwisata, DIY. (2013). *Statistik Kepariwisataaan 2012*. Yogyakarta: Dinas Pariwisata DIY.
- Hair, J. J., Bush, R. P., & Ortinau, D. J. (2006). *Marketing Research: Within a Changing Information Environment* (3rd ed.). Singapore: McGraw Hill.

- Hair, J. F., Black, W. C., Babin, B. J., & Andersen, R. E. (2010). *Multivariate Data Analysis*. Upper Saddle River, NJ: Pearson Prentice-Hall.
- Hair, J. F., Hult, T. M., Ringle, C. M., & Sarstedt, M. (2014). *A Primer on Partial Least Squares. Structural Equation Modeling (PLS-SEM)*. Thousand Oaks, CA: Sage Publications.
- Hair, J. F., Hult, G. M., Ringle, C., & Sarstedt, M. (2017). *A Primer on Partial Least Squares Structural Equation Modelling (PLS-SEM)*, (2nd ed.). Thousand Oaks. Sage.
- Harill, R. (2004). Residents' Attitudes toward Tourism Development: A Literature Review with Implication for Tourism Planning. *Journal of Planning Literature*, 18(3): 251-266.
- Helm, S., Eggert, A., & Garnefeld, I. (2010) Modelling the Impact Corporate Reputation on Customer Satisfaction and Loyalty Using Partial Least Squares. In V. Esposito Vinzi, W. W. Chin, J. Henseler, & H. Wang. (Eds.) *Handbook of Partial Least Squares: Concepts, Methods and Applications* (pp. 515-534). Heidelberg, Germany: Springer.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A New Criterion for Assessing Discriminant Validity in Variance Based Structural Equation Modelling. *Journal of the Academy of Marketing*, 43(1): 115-135.
- Hill, H., & Mubyarto. (1978). Economic Change in Yogyakarta. *Bulletin of Indonesian Economic Studies*, 14: 29-44.
- Hsueh, Y. H., & Yeh, H. M. (2014). Mapping Spatial Relationship among Travel Nodes for Tourism Development. *International Journal of Current Research and Academic Review*, 2(2): 199-211.
- Jurowski, C., & Gursoy, D. (2004). Distance Effects on Residents' Attitudes toward Tourism. *Annals of Tourism Research*, 31(2): 296-312.
- Jurowski, C., Uysal, M., & Williams, D. R. (1997). A Theoretical Analysis of Host Community Resident Reactions to Tourism. *Journal of Tourism Research*, 36: 3-11.
- Kim, K., Uysal, M., & Sirgy, M. J. (2013). How does Tourism in a Community Impact the Quality of Life of Community Residents?. *Tourism Management*, 36: 527-540.
- Klein, H. S., Wagner, G., Steinmann, S., & Marschett, D. (2011). Cross-channel Integration – Is it Valued by Customers?. *The International Review of Retail, Distributio., & Consumer Research*, 21(5): 501-511.
- Ko, D-W., & Stewart, W. P. (2002). A Structural Equation Model of Residents' Attitudes for Tourism Development. *Tourism Management*, 23: 521-530.
- Kousis, M. (1989). Tourism and the Family in a Rural Cretan Community. *Annals of Tourism Research*, 16: 318-333.
- Lankford, S. V., & Howard, D. R. (1994). Developing a Tourism Impacts Attitude Scale. *Annals of Tourism Research*, 21(1): 121-139.
- Lee, T. H. (2013). Influence Analysis of Community Resident Support for Sustainable Tourism Development. *Tourism Management*, 34: 37-46.
- Likorish, L. J., & Jenkins, C. L. (1997). *An Introduction to Tourism*. Oxford: Butterworth-Heinemann.
- Liu, J. C., Sheldon, P., & Var. T. (1987). Resident Perceptions of the Environmental Impact of Tourism. *Annals of Tourism Research*, 14: 17-37.
- Mathieson, A., & Wall, G. (1982). *Tourism, Economic, Physical and Social Impacts*. London: Longman.
- Mihalic, T. (2000). Environmental Management of a Tourist Destination: A Factor of Tourism Competitiveness. *Tourism Management*, 21: 65-78.
- Muganda, M., Sirima., & Smith, B. (2013). The Role of Local Communities in Tourism Development: Grassroots Perspectives from

- Tanzania. *Journal of Human Ecological*, 4(1): 53-66.
- Nandi. (2008). Pariwisata dan Pengembangan Sumber Daya Manusia. *Jurnal GEA Jurusan Pendidikan Geografi*, 8(1).
- Nicholas, L., Thapa, B., & Ko, Y. (2009). Residents' Perspectives on a World Heritage Site - the Pitons Management Area, St. Lucia. *Annals of Tourism Research*, 36(3): 390-412.
- Perdue, R. R., Long, P. T., & Allen, L. (1987). Rural Resident Perceptions and Attitudes. *Annals of Tourism Research*, 14: 420-429.
- Perdue, R. R., Long, P. T., & Gustke, L. D. (1991). The Effect of Tourism Development on Objective Indicators of Local Quality of Life. In *Tourism: Building Credibility for a Credible Industry: Proceeding of the 22nd Annual TTRA Conference*. Salt Lake City: Travel and Tourism Research Association.
- Prentice, R. (1993). Community-driven Tourism Planning of Residents' Preferences. *Tourism Management*, 14(3): 218-227.
- Purdue, R. R., Long, P. T., & Allen, L. R. (1990). Residents' Support for Tourism Development. *Annals of Tourism Research*, 17(4): 586-599.
- Reimer, J. K., & Walter, P. (2013). How do You Know it When You See it? Community-based Ecotourism in the Cardamom Mountains of Southwestern Cambodia. *Tourism Management*, 34: 122-132.
- Ringle, C. M., Wende, S., & Becker, J. M. (2015). *Smart PLS*. Retrieved on 05 07, 2016 from <http://www.smartpls.com>.
- Sekaran, U. (2003). *Research Method for Business* (4 ed.). New York: John Wiley and Sons, Inc.
- Sekaran, U. (2003). *The Research Method for Business: A Skill Building Approach* (4th ed.). John Wile., & Sons.
- Spenser, D. M., & Nsiah, C. (2013). The Economic Consequences of Community Support for Tourism: A Case Study of a Heritage Fish Hatchery. *Tourism Management*, 34: 221-230.
- Sutawa, G. K. (2012). Issues on Bali Tourism Development and Community Empowerment to Support Sustainable Tourism Development. *Procedia Economics and Finance*, 4: 413-422.
- Tosun, C. (2006). Expected Nature of Community Participation in Tourism Development. *Tourism Management*, 27: 493-504.
- Um, S., & Crompton, J. L. (1990). Attitude Determinants in Tourism Destination Choice. *Annals of Tourism Research*, 17: 432-448.
- Wall, G., & Mathieson, A. (2006). *Tourism: Changes, Impacts and Opportunities*. New York: Pearson Prentice Hall.
- Wang, S., Fu, Y., & Cecil, A. K. (2006). Residents' Perception of Cultural Tourism and Quality of Life: A Longitudinal Approach. *Tourism Today*, 6: 47-61.
- Weaver, D. B., & Lawton, L. J. (2001). Residents' Perception in the Urban-rural Fringe. *Annals of Tourism Research*, 28(2): 439-458.
- World Commission on Environment., & Development (WCED). (1987). *Our Common Future*. Oxford: Oxford University Press.
- Yu, A. (2014). Study on the Development of County Tourism. International Conference on Education, Language, Art and Intercultural Communication (ICELAIC 2014), 673-676.
- Yuksel, F., Bramwell, B., & Yuksel, A. (1999). Stakeholders' Interviews and Tourism Planning at Pumakkale, Turkey. *Tourism Management*, 20: 351-360.