

Original Article

# Contributions of Tourism Micro and Small Entrepreneurs to Local Community Livelihood

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**Abstract** - This article deliberates on the impacts of the activities of tourism micro and small enterprises (TMSE) in the coastal villages in Mersing on the economic components of the communities. The perception study was based on data gathered from 200 entrepreneurs in Mersing who believed that the activities of TMSE contributed more positive impacts for the communities. Interestingly, tourism in Mersing had created opportunities for more women and single mothers to be involved in TMS activities. Besides, most of the entrepreneurs agreed that the tourism activities were able to reduce the out-migration of youth to urban areas. However, the surveyed entrepreneurs also revealed that tourism had created several negative economic impacts; for instance, tourism had resulted in seasonal traffic congestion and caused permanent increases in prices of goods and services. The entrepreneurs suggested that to balance the economic impacts, it was crucial that the local authorities undertake several plans of action to resolve the adverse impacts of the tourism development.

**Keywords** - Tourism, entrepreneurship, micro, and small enterprises, socio-economic impact

## I. INTRODUCTION

The establishment of the micro, small and medium enterprises has become the catalysts towards the development of a destination as well as the tourism sector itself. It contributes to the local socio-economic development via job opportunities and income generation. Its also seen as a firm that is categorized under the Small and Medium Enterprise (SME) services along with other tourism services. Tourism Micro, Small, and Medium-sized Enterprises TMSMEs employ about 991,419 workers amounting to 38.1% of total employment in the SMEs services sector in Malaysia (1). About 239,110 of the active establishment of MSMEs in Malaysia play a significant role in the economic development of the country in which about 59.7% provide food and beverage services, 16.7% provide transportation and various tourism services and about 8.2% provide

services such as accommodation, recreation, travel arrangement, tour operation, art, and entertainment. A report from the Ministry of Tourism and Culture Malaysia has highlighted that the industry employs more than a third of the employees in the services sector and is considered the second-highest earner in foreign exchange and national income, and TMSME is one of the important segments in the industry.

Realizing the importance of TMSME in enhancing the socio-economic aspects of the local community, current scholars, both local and international, have placed their focus on it. Recent local studies by (2), (3), (4), (5), have demonstrated the growing interest of local scholars on topics related to TMSME. However, the focus of these recent studies has been more on characteristics and the challenges of conducting tourism entrepreneur's activities, thus resulting in a lack of attention being paid to the social and economic impacts on the entrepreneur itself. Furthermore, it can be seen that none of the studies focus on the Mersing community. These two gaps have driven this study to its main objectives, which are to explore the economic impacts of tourism entrepreneur activities on the Mersing community and to point out specific recommendations to further boost the entrepreneur tourism activities in Malaysia. To have this economic study is important as it offers a number of significances. First, it contributes to the body of knowledge so that new information on the economic aspects of the entrepreneurs' community can be gained. Second, the specific information on the economic impacts and recommendations suggested, can assist policy-makers in constructing concrete strategies to further buttress the economic aspects of the entrepreneur community. Third, findings from this study can serve as a foundation for more studies to be conducted related to the economic impacts of tourism activities in Malaysia.

## II. LITERATURE REVIEW

### A. Theoretical Background

The main theory proposed in the past and used in order to explain residents' reactions to tourism, were



Doxey's Irridex model and the tourism area life-cycle model (6). Doxey (7), describes resident-visitor interactions and relationships by creating the "Irritation Index". He identifies different stages of the relationship that start from euphoria, apathy, irritation, until antagonism; the last level is reached when local communities have forgotten local values, and the natural environment is destroyed. Doxey's Irridex Model presents an analysis of the effects of tourism development on the social relationship between host and tourist.

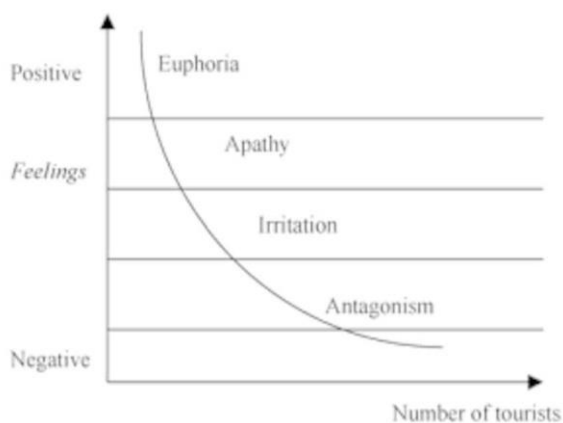


Fig. 1 Doxey's Irridex Index

Its four stages describe different stages of tourism development and their influence on hosts and tourists. At the first stage, tourism development is minimal, few tourists visit the destination area, tourists want to mix with the local population who welcome the tourists. At this stage, limited commercial activities take place. At the second stage, the number of tourists increases, the local population perceives that more tourists will visit their destination and the relationship between tourists and the local community becomes formal. At the third stage, there is a significant growth in tourist numbers who are demanding more resources. As competition for resources creates tension between the local population and tourists, the local population becomes more concerned about tourism and its impact on their livelihood. At the fourth stage, a conflicting situation is created where tourists are seen in a negative way. Tourists and tourism become victims of society's wrongdoings. Doxey (7) argues that resident irritation is determined by the degree of incompatibility between residents and tourists.

**B. The TMSMEs in Malaysia**

The definition of micro, small and medium-sized enterprise (MSME) varies from country to country. As for Malaysia, MSMEs are defined according to sectors similar to countries such as Hong Kong, Japan, and Thailand, which is based on the number of full-time employees or the total sales or revenue. Thus, in October 2013, the National SME Development Council (NSDC) (8), approved a

common definition for SMEs across economic sectors for adoption by all government ministries and agencies involved in SME development and financial institutions. A micro-enterprise in the service sector as an enterprise with less than five full-time employees and a sales turnover of less than RM300,000 annually. A small enterprise in the same sector has five to 30 full-time employees and annual sales turnover ranging from RM300,000 to less than RM3 million. A medium enterprise has 30 to 75 full-time employees and annual sales turnover ranging from RM3 million to RM50 million.

Regarding the MSMEs related to tourism activities, the continuous efforts to stimulate the tourism industry by the Malaysian government bring positive impact on these business activities; the MSMEs in Malaysia account for about 85% of tourism businesses. The MSMEs in Malaysia are involved in providing the following tourism products: 1) accommodation services; 2) food and beverage serving services; 3) passenger transport services; 4) travel agency, tour operator, and tour guide services; 5) cultural services, recreation, and other entertainment services; and 6) miscellaneous tourism services (i.e., Personal care and Salus Per Aqua (SPA), camping sites, Zoo, museum and theme parks).

**C. The TMSEs Activities in Mersing**

The coastal zone of Mersing is the most significant zone for employment, residential, tourism, and business. According to the guideline on Conservation Planning and Environment Sensitive Development of Malaysia (9), the coastal area coverage includes the area of 5km into the mainland and 16.7km nautical to the sea from the average of high tide. This zone is one of the tourist attractions in the Mersing district since a long time ago; it has been designated as a 'special tourist zone' with the Mersing archipelago as the 'forest spine' (10). The tourism sector has become the main contributor to Mersing's economy over the past decade. The growth of the tourism sector was attributed to the development of the high-impact infrastructure projects and the "Rainforest to Reef" (R2R) development strategy implemented by the Federal Government through the East Coast Economic Region Development Council (ECERDC) in partnership with the Johor State Government. The growing tourism sector in Mersing, Johor also helps to boost the district's socio-economic growth, thus improving the livelihood of the local population.

The establishment of Sultan Iskandar Marine Park (SIMP) as a protected area creates a lot of benefits especially in the fisheries sector in terms of protection of marine organisms and genetic biodiversity, benefits to marine ecosystems, and biodiversity itself. The development is purposely undertaken to improve the islanders' wellbeing as well as the tourism sector. Moreover, the

development of SIMP for ecotourism also benefits islanders who are living in SIMP. Since its rebranding from Mersing Marine Park to Sultan Iskandar Marine Park in 2013, the number of visitors arriving in Mersing has dramatically increased. Over the last 10 years, the tourism sector has been Mersing's main engine of growth. In 2017, Mersing has received a total investment of RM1.6 billion and created more than 1,710 job opportunities for the locals. The tourism sector contributes 63% or RM1 billion of the total investments in Mersing. In Mersing, tourism has evolved into an entrepreneurial environment, both for the existing and newly established businesses (11).

The entrepreneurial activities in Mersing are categorized into two sub-sectors of TMSE which are direct tourism business-related and indirect tourism business-related. On the mainland coast of Mersing, the majority of residents running the TMSEs business in the sub-sector of fisheries, aquaculture, seafood product processing, agro-processing, coastal tourism, crafts, and others enterprises. Meanwhile, the entrepreneurs living in the islands off Mersing are mostly running their businesses in the sub-sector like a resort, homestay, boating, island hopping, and other tourism-related activities. There have been a number of studies that assess the economic impacts of tourism in the host destination in the country. However, very little research has been done to assess the impact of the development of TMSEs activities on the socio-economic of entrepreneurs in destinations especially in the east coastal area of Malaysia specifically in the Mersing district.

#### **D. Tourism Impact on Socio-Economic**

The earliest work on tourism impacts had been done by (12). They defined impact as "the form of altered human behavior that stems from interactions between agents of change and sub-systems on which they impinge". According to them, the social and cultural impacts of tourism are the ways in which tourism is contributing to changes in value systems, individual behavior, family relationships, collective lifestyles, safety levels, moral conduct, creative expressions, traditional ceremonies, and community organizations. Economic impacts are expressed as direct and indirect changes in economic flow.

The assessment of economic impacts has become an important aspect of tourism especially when promoting tourism in rural and culturally sensitive areas. The assessment focuses on evaluating the impacts the development has on the social and economic well-being of the community. According to (13), tourism impacts are not only in terms of economic impacts, jobs, and taxes but are broader and often influence areas beyond those commonly associated with tourism. As with other impacts, this massive socio-economic development brings along both positive and negative consequences (14). Impacts emerge in the form of altered human

behavior, which stems from the interactions between the agents of change and the subsystems on which they impinge. It means that tourists, local communities, and environmental interactions create the impacts and all elements of tourism activities are affected by this interaction. The impacts can be positive or negative to tourists and the host destination. In this research two types of impacts have been studied – social and economic.

#### **E. Perceived Economic Impact**

As an economic activity, TMSE has major effects on the economies of destination areas. The activities of TMSEs are contributing positively to the country's economy by earning foreign exchanges and employment creation (15). It decreases unemployment by creating new job opportunities; increasing demand for tourism encourages new infrastructure investment and communication and transportation possibilities. According to (16), the residents usually perceive the economic impacts of tourism positively since tourism acts as an export industry by generating new revenues from external sources. Consequently, the amount of taxes collected by local government will also increase with the higher level of economic activity. Residents of a local community may acquire a better standard of living and higher income via tourism activities and economic empowerment (17).

Nevertheless, Doxey suggests that residents' perceptions of tourism will become steadily more negative with increasing tourism development. Generally, it is confirmed that as tourist numbers increase, residents perceive more negative impacts from tourism. For example, (18) in the study on the socio-economic impact of tourism and entrepreneurs in Laos have found that most entrepreneurs express their opinion that tourism causes the increase in prices of goods and services. Besides, when (19) explores the impacts of tourism in India has found that tourism is associated with the increase of land prices and increase in the cost of living. Similarly, the development of enclave tourism is perceived as undesirable by the local community because of the limited business opportunities for the locals, especially with the rise in all-inclusive resorts, which prevent entrepreneurship opportunities to trickle down to the community at large, thus reinforcing imbalances between the rich and the poor (20).

### **III. METHODOLOGY**

The study presented in this paper is motivated based on two objectives. The first objective is to examine the local community's involvement in the TMSE sector, and the second objective is to investigate whether the perceptions of entrepreneurs on the social and economic impact of tourism in Mersing have impacts on their entrepreneurial practices. The instrument used is a self-administered questionnaire, which has been designed with

guidance from experts in various fields of social sciences and scholars in the tourism-related fields.

The sampling units for the study are entrepreneurs with the minimum age of 18 and operating their own TMS in Mersing. Out of 220 distributed questionnaires, this survey has successfully retrieved 200 valid and usable questionnaires. The data collection process took place in June 2018 involving 8 enumerators from the University Putra Malaysia as interviewers. The research covers micro operators who operate at the rural tourism attraction destinations in Mersing namely, Pulau Sibul, Pulau Besar, Kampung Air Papan, Kampung Seri Bahagia, Kampung Mersing Kanan, and Tanjung Leman. The survey has been able to obtain a 91 % response rate. Before conducting the survey, the interviewers were briefed in detail to ensure that they understand the objectives of the study and the questions.

The questionnaire is composed of three sections: the first section gathers the demographic profiles of respondents (gender, age, level of education, business education, and business income). Section two is designed to gather data required to characterize the entrepreneurs of the TMS. This section looks into the details with regards to types of business, length of years they are involved in the tourism sector; the number of employees, the percentage of tourist customers serviced; and the start-up capital. Lastly, the third section collects data on the social and economic impacts of tourism as perceived by the entrepreneurs to be the factors that affect tourism-related entrepreneurial practices.

The research instrument designed to collect required data was adapted from several previous studies and modified as appropriate to the present study context. Observation and interviews were also utilized in the study. For each of the questions asked in this section, the respondents were given a five-point Likert scale which gave them a choice of answers ranging from strongly disagree (1) to strongly agree (5). Data gathered in the study were analyzed descriptively with the use of frequency count, cross-tabulation, percentage, and weighted mean.

#### IV. FINDINGS

##### A. Socio-demographic Profile

Table 1 shows the summary of the profiles of the respondents (n=200) in terms of gender, age, education level, business experience, and business education. The tourism enterprises are mostly owned by males, of which 53% of the respondents are males and 47% of them were female. Interestingly, the portion between males and females does not much differ. The relatively high percentage of women in the sample suggests that tourism in Mersing can be beneficial for women in terms of offering them business and employment opportunities. The sample was able to include entrepreneurs ranging in age

between 18 to 65 years old. Nonetheless, the majority were between the ages of 31 to 50 years old, forming 53.1% of the sample. A matter of concern is the proportion of the older entrepreneurs (over 51 years old, forming 31%) compared to young entrepreneurs (below 30 years old, forming only 15.5%). Several factors may contribute to the lower proportion of young people involved in the businesses; among them may include lack of the necessary entrepreneurial skills, risk avoidance in business operations, insufficient support towards starting a business, and preference for salaried jobs. Furthermore, difficulties in acquiring the necessary funding for initial capital investment could be an important and critical constraint for the young members to enter into the tourism business (21). Still, the slight majority of the middle-aged entrepreneurs may imply that the tourism businesses in the Mersing area can be sustainable.

As in many rural-based communities in the country, the majority of the selected entrepreneurs (68%) had a secondary level of education, about 12.5% had primary level education, whereas 4.5% had no formal education; those with tertiary education included 11.5% with STPM/ diplomas, 3% had degrees, and only about 0.5% had the master degree. It is true that one of the significant impacts of the development of the tourism sector is the growth of business opportunities for the local community irrespective of educational attainment. Thus even with 80.5% of the respondents only having a secondary or lower level of education and did not have any specialization related to tourism, they could still be involved in the tourism business because of the opportunities created.

Among the 38% who attended short business training programs provided by agencies such as ECER, Persatuan IKS Mersing, and Amanah Ikhtiar Malaysia (AIM) had shown a positive relationship between their entrepreneurship training and success in their business endeavor. A study conducted by (22) on the impacts of educational level on tourism operations had found that the low educational attainment of the operators could create some communication problems with foreign tourists, even with English-speaking tourists.

Tourism is generally characterized by seasonal variations; thus it is expected that income of the tourism business to vary with the season. The result shows that the mean business income during the off-season was RM2,688 per month as compared to an increase during peak school holidays and festive seasons to RM4,229 per month. This scenario means that just like in most developing tourism destinations, tourism in Mersing is highly seasonal. The relationships of business income and seasonality and impacts on community attitudes had been studied by (23) who had found out that in general the seasonal variations of incomes produced a negative attitude among the local residents. However, he also found

that in small communities the variations offered an advantage because it allowed the resident operators to catch a breath and to undertake refurbishment of their facilities for the following season, therefore the seasonal variations produced positive attitudes among the local operators. Similarly, (24) found that communities with a long experience of seasonality were able to adapt to accommodate inconveniences and therefore did not experience a negative attitude.

**Table 1. Socio-demographic (n=200)**

Variables	Frequency	Percentage	Mean score
<b>Gender</b>			
Male	106	53	
Female	94	47	
<b>Age</b>			44.5
20-30	31	15.5	
31-40	45	22.5	
41-50	62	31	
51-60	40	20	
61>	22	11	
<b>Education level</b>			
No formal education	9	4.5	
Primary	25	12.5	
Secondary	136	68	
STPM/Diploma	23	11.5	
Degree	6	3	
Master/PhD	1	0.5	
<b>Business Education</b>			
No business education	111	55.5	
Short training	76	38	
Vocational	8	4	
University/College	5	2.5	
<b>Business income (normal day off season)</b>			RM 2,688
RM 2000 & below	117	58.5	
RM 2001 - RM 4000	48	24	
RM 4001 - RM 6000	19	9.5	
RM 6001 - RM 8000	9	4.5	
RM 8001 - RM 10,000	4	2	
RM 10,001 & above	3	1.5	
<b>Business income (holiday peak season)</b>			RM 4,229
RM 2000 & below	61	30.5	
RM 2001 - RM 4000	73	36.5	
RM 4001 - RM 6000	26	13	
RM 6001 - RM 8000	17	8.5	
RM 8001 - RM 10,000	9	4.5	
RM 10,001 & above	14	7	

**B. Business Background**

There are many types of small and medium business establishments in Mersing. The tourism-related enterprises owned by the local community can

be divided into seven categories which include the restaurant and agro-processing businesses occupying the two top percentages, 26%, and 22% respectively. Meanwhile, the accommodation sector is the smallest sector owned by locals, forming only 5.5% of the total businesses. Although there are many lodging facilities in Mersing, most of the bigger and up-market facilities are owned by non-local entrepreneurs. Accommodation facilities provided by micro and small Bumiputera entrepreneurs in Mersing are mainly homestays and rental houses. Besides, 97% of entrepreneurs' business entities are sole proprietorships. A micro and small enterprise is characterized by having less than 20 workers; it is found that the majority of the micro and small enterprises in Mersing hire about 1 to 5 workers (60%), without hired workers (31%) and the rest having 6 to 10 employees (9%).

As the tourism industry grows in the area, the number of SMEs has also increased since 1990 although at a modest rate in the '90s. Since 2001, the number of SMEs has jumped up tremendously with the majority of the respondents starting up their businesses after 2011. The big increase is associated with the rebranding of the Mersing Marine Park as the Sultan Iskandar Marine Park in 2013. Since, the park is purposely established as one of the ecotourism sites in Johor, local communities who were previously employed in agriculture as farmers and fishermen have taken the opportunity to get involved in business activities related to the tourism sector. It was interesting to note that every year the number of tourism businesses shows an amazing development. Since 2011 the number of tourism-related business premises are growing strongly and is expected to continue to increase. Depending on the types of tourism-related business operated, on average, the bumiputra TSMEs in Mersing receive slightly more than half of their business (51.8%) from tourist customers.

**Table 2. Business background of local communities (n=200)**

Variables	Frequency	Percentage	Mean Score
<b>Business sectors</b>			
Retail/food & beverages	18	9	
Agro-processing	44	22	
Restaurant	52	26	
Marine & fisheries	18	9	
Arts & recreation	32	16	
Agent & transportation	25	12.5	
Accommodation	11	5.5	
<b>Business entities</b>			
Sole	194	97	

proprietorship Partnership	6	3	
<b>Year business operates</b>			10.5 years
Before 1990	12	6	
1991-2000	19	9.5	
2001-2010	69	34.5	
After 2011	100	50	
<b>No. of hired employee</b>			3 workers
No hired employee	62	31	
1-5 employee	120	60	
6-10 employee	18	9	
<b>Start-up capital (RM)</b>			RM12,042
5,000 & below	113	56.5	
5,001-10,000	36	18	
10,001-20,000	23	11.5	
20,001-50,000	21	10.5	
50,000 & above	7	3.5	
<b>Percentage of tourist customers per month</b>			51.8%
1-25	47	23.5	
26-50	68	34	
51-75	29	14.5	
76-100	56	28	

**C. The Impacts of Tourism on Entrepreneurs**

**a) Social Impacts**

Table 3 and Table 4 represent the responses of all entrepreneurs on the perceived impacts that give the broad scenario of social and economic impacts of TMSE activities in Mersing. Results show that the average mean score for positive social impact is about 3.98% that interpreted as residents agreeing on positive social impacts such as an increase in pride of local products, cultural exchange, improve language, etc., which are intangible impacts. Interestingly, tourism in Mersing has created opportunities for women or single mothers involved in TMSE activities (S5) with the highest mean score of 4.22. Tourism also creates positive social impacts to entrepreneurs like cultural exchange (S4), followed by improvement in their English language (S3) and increase in the local product (S6) especially agro and craft products with mean scores of 4.06, 4.05, and 4.01 respectively. Despite, youth migration showing the lowest mean score (3.44), most entrepreneurs agreed that tourism activities are able to decrease the migration of youth to urban areas.

The development of tourism in Mersing, however, has created low social impacts on entrepreneurs whereas the average mean score for negative social impact is 2.59 that means they disagree with the negative statement like increased alcohol and drug problems, no privacy, and thief among entrepreneurs.

However, tourism in Mersing created traffic congestion (S11) especially during the school and public holidays with a mean score is 3.16. Likewise, entrepreneurs relatively feel that the culture and tradition are vanished in Mersing (S9) with the mean score is 2.85. Meanwhile, the tourism activities in Mersing are not affected by negative social activities such as alcohol and drug (S12). The result proved that most entrepreneurs are not agreed with the statement that tourism increases social problem likes alcohol and drug with a mean score of only 2.44. Moreover, according to the respondents, TMSE activities do not create any negative social problems such as stealing, drugs, or alcohol. In fact, in most of the villages in Mersing, traditional Malay culture and customs are still widely practiced. Negative social activities such as drinking alcohol and drug addiction are contrary to the local culture and customs.

**b) Economic Impacts**

Based on the result of economic impacts (Table 4), most entrepreneurs have agreed on all six positive economic impact statements, yielding a high average mean score (4.09). This result is consistent with the previous studies by (25), (26), and (22), in which the tourism activities bring positive impacts to local economic conditions, for instance, it provides more income, diversifies the economic activities, creates new business opportunities, develops more infrastructure for entrepreneurs.

The positive impacts of tourism development in Mersing are expected, as there are many money-making activities for the TMSEs (Table 2). The tourism sector gains from the abundance of marine resources available in the area which could support consistent tourist demands. In addition, the availability of marine resources has made Mersing a popular recreational fishing hub that attracts anglers from across Malaysia; the anglers use the boat rental services offered by the locals. Besides, the TMSEs in Mersing are dominated by the restaurant, arts and recreation, and agro-processing businesses which serve as important tourism pull factors. The continuous demands by tourists present opportunities for the entrepreneurs to sell their local products, create new tourism-related business activities, expand networking and directly help to improve their standard of living.

Uniquely, though the locals' dependency on natural resources is high, there are alternative income sources that can be generated in Mersing for example, is famous for its fresh local seafood, seafood production like *keropok lekor*, salted fish, and many more. The emergence of this TMSE opportunity has opened up more employment for skilled and unskilled workers, particularly among local residents involved in the TMS, particularly food production that does not require high-skilled workers. Through the TMS, unskilled workers in Mersing will have a wider opportunity to find work, thus lessening the

number of people who are unemployed.

In terms of negative economic perception, the result shows that entrepreneurs in Mersing agreed tourism bring the negative impact, which the average mean score is 3.11. In fact, the survey also reveals that tourism creates a negative economic impact which is, tourism has causal the price of goods (E8) and services (E7) increases as the result shows the mean score is 3.37 and 3.34 respectively. The highest mean score on the negative statement (E8) reflects a negative sign that locals have to pay more for goods and services especially during public or school holidays. Consequently, this scenario also affected the payment for the local employee (E12) (with the mean score of 3.34) whereas entrepreneurs have to increase the payment to their employees.

**Table 3. Perceived Socio Impacts (n=200)**

No.	Statements	Mean Score
<b>Positive social</b>		
S1	Proud of local product	4.00
S2	Good competitor	4.00
S3	Improve foreign language	4.05
S4	Cultural exchange	4.06
S5	Create women/single single mother entrepreneurs	<b>4.22</b>
S6	Reduce youth migrant	3.44
S7	Increase agro and craft product	4.01
<b>Average mean score</b>		<b>3.98</b>
<b>Negative social</b>		
S8	Thief among entrepreneur	2.51
S9	Culture and tradition vanish	2.83
S10	No privacy	2.31
S11	Traffic congestion	<b>3.16</b>
S12	Increasing alcohol/drug problems	2.20
<b>Average mean score</b>		<b>2.59</b>

**Table 4. Perceived Economic Impacts (n=200)**

No.	Statements	Mean Score
<b>Positive economic</b>		
E1	Creation of new business opportunities	4.12
E2	Diversify economic activitis	4.13
E3	Provide more income to entrepreneurs	<b>4.17</b>
E4	More developed infrastructures for SME	4.10
E5	Increase investment opportunities to local residents	4.00
E6	Improved living standard of MSE	4.06
<b>Average mean score</b>		<b>4.09</b>
<b>Negative economic</b>		
E7	The increasing price of goods	3.34
E8	The increasing price of services	<b>3.37</b>
E9	Increase chances for foreign monopoly	2.87
E10	Widening of income gap	3.14

E11	Augmenting land loss to outsiders	2.65
E12	Increase in local employee payment	3.34
<b>Average mean score</b>		<b>3.11</b>

## V. DISCUSSIONS AND CONCLUSION

The TMS activities were found to create social and economic impacts for the Mersing community. Nevertheless, in order to further intensify its positive impacts and reduce the negative impacts, several recommendations and discussions based on the results gained from this study are highlighted. For example, in terms of strengthening the marketing aspects, the micro and small-medium entrepreneurs in Mersing should be provided with opportunities to attend courses related to marketing and networking. To have this is important as some of them claimed that locals are not given the opportunity to attend courses or short training to enable them to make the most of the business opportunities available.

Besides, the Mersing Development Authority should focus on improving the homestay industry by empowering local entrepreneurs compared to the daily house rental owned by outsiders. To date, only the Kampung Air Papan homestay is fully operated by local villagers, but it offers only 20 units of lodging to tourists. Improving the homestay industry is seen as one of the ways to uplift the image of Mersing which can further increase the demand for a homestay from the tourists. In a study conducted earlier, it was highlighted the importance of the homestay industry to local communities. Homestay operation has become an important employment opportunity to local people living standards and to encourage public-private investment (15). Access to financial credit for basic homestay repair and renovation should be offered as one of the improvement strategies for the homestay industry in Kampung Air Papan. Among the possible financial credit schemes for the homestay, entrepreneurs are the Micro Financing Scheme, which involves agencies such as AIM, TEKUN Nasional, and local financial institutions.

The perception study based on data gathered from 200 entrepreneurs in Mersing reveals that TMSE activities have contributed more positive impacts on the residents. The entrepreneurs agree that their standard of living and quality of life are changing. Generally, they agree that the programs have opened the door to more income-generating activities, as there has been an increase in the demand for local products and services. This has led to diversification in the economic activities across the TMSE in Mersing. In order to further enhance these economic impacts, it is crucial that relevant agencies concerned, specifically ECER, and local authorities, undertake several plans of action to resolve the perceived negative impacts of the entrepreneurs. Besides, it also brings serious long-term problems, which without careful control and planning, can threaten society.

The plans of action may include conservation of the environment, participative planning with village leadership, strengthening marketing and promotion strategies, improving the homestay industry, and capacity building through training and workshops.

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