

RESIDENTS' ATTITUDES TOWARD TOURIST MARKET SEGMENTS AND TOURISM DEVELOPMENT IN VALDEZ, ALASKA: A COMPARISON OF RESIDENTS' PERCEPTIONS OF TOURIST IMPACTS ON THE ECONOMY AND QUALITY OF LIFE

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Abstract

Residents of Valdez Alaska were studied to understand their attitudes toward and perceptions of tourism development in their community. This study provided an assessment of residents' support for (or against) current and potential future levels of tourism. Specifically, residents were asked to rate tourist markets by the impact these market segments have on resident's quality of life (QOL) and economic livelihood. Mean scores, correlation analysis, a consistent versus inconsistent rating analysis, and a plot of mean scores show four visitor markets emerging as the most desirable: friends and relative visitors, sport fishers, summer independent travelers, and military personnel on leave. The significance of these segments to the local economy is discussed.

1.0 Introduction

Residents of Valdez Alaska were studied to better understand their attitudes toward and perceptions of tourism development in their community. Valdez offers year around recreation and tourism opportunities to residents and tourists. The area is connected to Anchorage by road, planes, the state ferry, and private boats and is a popular port for cruise ships that extend the vacation package onto land. Valdez's population of 4,036 residents (2000 Census) is out numbered by the thousands of tourists, particularly during the summer season. While tourism is a significant industry to the community, other industries have provided lucrative salaries to residents including oil and cargo shipping, commercial fishing, and seafood processing. The Trans Alaska Pipeline's southern terminus is both an important

economic stimulus to the area, but was also involved in the Exxon Valdez oil spill. Transportation, fishing and tourism are all large sectors in the area (Crone et al. 2002).

Research on residents' attitude toward tourism development has been a popular research topic as scholars and consultants are asked to assist with or participate in community-level economic development. Very few studies have examined specific tourist market segments and instead tourists are seen as a single group or mass market. Annual tracking by the Travel Industry Association (TIA) shows tourist segments contribute differently to an economy, however, studies tend not to investigate the impact these different segments have on residents' quality of life. Andereck and Vogt (2000) showed residents differ in their support for types of tourism development in their community. This supply-side research and the work of Smith (1980) and Ap and Crompton (1993) suggest residents may also perceive tourist market segments differently. The destination context is that some tourists have little interaction with residents, while other tourists (e.g., friends or relatives visiting) have extensive interaction with the hosting local resident (Ap 1992; Ap & Crompton 1993; Smith 1980). Further, studies have shown that the level of interaction (Ap & Crompton, 1993) and dependency on the tourism industry for a household's livelihood (King et al. 1993; Madrigal 1995; Perdue et al. 1987) influence attitudes held toward tourism.

The problem of this study was an assessment of residents' support for (or against) current and potential future levels of tourism. Specifically, residents were asked to rate tourist markets by the impact these market segments have on resident's quality of life (QOL) and economic livelihood. Specifically, residents rated 14 visitor markets by the impact they have on the local economy and QOL. This research demonstrates consistent and inconsistent relationships between economic and QOL impacts.

The research questions examined in this study included:

- Are ratings of QOL and economic impacts for individual target markets significantly different?

- Are QOL and economic impacts correlated?
- What visitor markets yield consistent QOL and economic impacts ratings? Inconsistent ratings?
- What visitor markets are most desirable based on QOL and economic ratings?

2.0 Literature Review on Residents' Perceptions of Tourism Activity

Communities change with tourism development and the influx of tourists. Three models provide a background to examine residents' perceptions to tourism activities in a community or area. Butler (1980) illustrated the nature of changes in a destination life cycle model that suggests over time, based on a destination gaining popularity, more visitors brings change in the tourism system. These changes are enhanced by entrepreneurial and corporate activities of locals and outsiders eager to gain economically. Butler's model illustrates changes to the destination as a whole, but this model could also be studied according to tourist market segments. Over time in a destination, some tourist market segments will continue and flourish, and other segments will diminish for a variety of reasons.

Ap and Crompton (1993) profiled four levels of reactions by residents to tourism activities. The first level is embracement, which describes a euphoric stage where residents hold very positive attitudes toward tourists and their impacts. Tolerance is next on the continuum and describes residents who are positive on some impacts and negative toward others. Adjustment is the third level on the continuum where residents have learned to cope with tourists and find ways of continuing with their lives with tourists crowding their community. Finally, the withdrawal strategy describes a community where residents leave when the tourists arrive.

Smith (1989) suggested residents react to both the type and quantity of tourists. Her seven types of tourists range from explorer, which represents an independent traveler, to a charter, which represents large group touring, and she suggests that these tourist segments impact a community differently. The explorer tourist accepts the local conditions and environment and tries to fit in with and get along with residents. The charter tourist arrives with expectations that may not match the local environment and does little to adjust; instead, the charter demands amenities that are familiar and accommodating

to their needs. A destination typically services few explorer-types and sees them having a "soft" impact on the local community. Explorers tend to be positively accepted by the local residents. Conversely, a destination, if popular, may host significant numbers of charter-types, which place many and "hard" impacts on the local community. According to Smith, charter-type tourists are less positive perceived by residents. An example of research examining resident's rating of tourist segments can be found in King and his colleagues (1993) research of residents of a Fiji island perceiving foreign tourists very differently than tourists on vacation in their own country. While this study shows tourist market perception differences, they did not explore possible differences between explorer-type segments versus charter tourists.

These three models suggest that residents should perceive tourist market segments differently depending on the economic productivity and the level of interaction between residents and tourists. Perceptions of economic and quality of life impacts may depend on a variety of factors, for example, the quantity of tourists in a particular segment, the economic return of investments made to attract targeted tourist groups (e.g., building a port to attract cruise ships), or the level of sharing of community places and services between tourists and residents. In a community with a growing tourism industry such as Valdez's, it is hypothesized that economic impacts from tourism would be perceived positively and quality of life impacts would be somewhat compromised. This is based on the belief that Alaska residents live in that state to escape the urban lifestyle to live a more secluded environment, however, economic livability is still important. Evidence of tolerance would be detected with data that shows that economic and quality of life impacts are positive, but may not be the same (inconsistent); and embracement would be evident with consistent and extremely positive perceptions of both economic and quality of life impacts. The impacts of visitor market segments such as visiting friends and relatives and "explorers" (e.g., summer and winter independent, back country winter) would mostly likely be viewed positively and consistency (supporting embracement). Segments such as cruise ship passengers, group tours, RVers, and conventioners (markets exhibiting charter-like characteristics) would mostly likely be viewed less positively and inconsistently (supporting tolerance).

3.0 Methodology

A mail questionnaire was used to collect data from residents in Valdez, Alaska. This was a first study of its type for Valdez, therefore is considered a cross-sectional or one time data collection effort. Attitudes represent how residents feel today or see the situation today, not necessarily in the past or future. A list that was maintained by the city provided the basis for randomly selecting 1,000 households (from a possible 1,494 households based on 2000 Census). The list included both residents and business owners in Valdez who may live in the outlying area (a methodology similar to Lankford 1994). An abridged Dillman mail procedure was employed using a first mailing and a reminder postcard to all addresses in the sample. A subsample of nonrespondents were called and encouraged to return the questionnaire (10 returned from these phone calls). A second mailing of the questionnaire was not possible for budgetary reasons. A total of 256 questionnaires (or a 26% response rate) were returned. To gain an understanding of respondents in comparison to the general population, demographic data were compared to the 2000 Census. Respondents were more likely to have children in their household, less likely to live by themselves, and more likely to be in households with adults 65 years or older.

The questionnaire was four-pages long and included 24 questions. Many of the questions were rating a list of features or statements. Specifically, the questionnaire asked residents to rate visitor market segments impacting the local economy and their own quality of life using a five-point Likert scale with "1" being very positive, "2" positive, "3" neutral, "4" negative, and "5" very negative. A "no opinion" option was also provided for those respondents who may not be familiar with the tourist market segments under inquiry. From 2 (on RVers) to 14 (on group tours) of the respondents selected this "no opinion" answer rather than rating the statements. The tourist market segments offered in the survey were identified by the researchers and Valdez's tourism staff. The segments studied were back country winter travelers, business travelers, conventioners, day boat cruisers, group tours, heli-skiers, summer independent travelers, winter independent travelers, military members on leave, cruise ship passengers (port of call), RVers (in and out of state), snowmobilers, sport fishers, and visitors of friends and relatives. Respondents were also asked to rate the best opportunities for economic development in Valdez,

community infrastructure and services, the personal importance of a community, tourism-oriented decisions in Valdez, and demographics. The focus of this paper was on tourist market segments, and demographics for descriptive purposes only.

Tourist market segment data were analyzed several ways to assess the relationship between economic and quality of life impacts effected by the 14 tourist market segments. Initially, the mean scores for economic impact and quality of life impact were analyzed using a paired-sample t-test with a p-level of .05 for significance testing to determine which impact exceeded the other. Next, a Pearson correlation was estimated on the economic and quality of life data for each tourist group to determine how these impacts relate to each other. Next, a cross-tabulation on economic and quality of life data were tabulated for each tourist group and the percent of respondents who consistently rated these impacts were computed. Consistency was judged as a "1 or 2" rating was grouped as positive, "3" remained as neutral, and "4 or 5" rating was grouped as negative. Inconsistent ratings were scores off-the diagonal of the cross-tabulation. For inconsistent ratings, cells were grouped two ways: (1) economic score being greater than the quality of life score; and (2) vice versa. Finally, mean scores were plotted in a four-quadrant diagram to show those visitor markets rated as most desirable (on economic and QOL of life impacts), desirable but not as strong on economics, desirable for economics but lower on QOL, and least desirable on both economics and QOL. Categorization into these quadrants was done by calculating an overall mean score on economics and QOL and then using this mean to determine whether a tourist market segment fell above or below this overall mean.

4.0 Results

A demographic profile of respondents is presented in Table 1 with comparable population data from the 2000 Census. On age, over half of the respondents were between the ages of 35 and 54 years old. Twenty percent were young adults of 34 years or younger and twenty percent were 55 years and older. This age distribution slightly over represents older adults in the sample, compared to the population age distribution of the Valdez-Cordova area. On gender, women were more likely to respond than men, which is commonly found in survey research. On education, six out ten respondents held college or graduate degrees. Only a few respondents

Table 1.—Valdez Resident Demographic Profiles

Profiles	Survey		Population (2000 Census Data)	
	n	%	n	%
Age				
20 – 24	8	3.4%	477	6.9%
25 – 34	40	16.9	1,169	16.8
35 – 44	58	24.5	1,979	28.5
45 – 54	72	30.4	1,885	27.2
55 – 64	42	17.7	815	11.7
65 – 74	9	3.8	393	5.7
75 – 84	7	3.0	172	2.5
More than 84	1	0.4	49	0.7
Gender				
Female	142	58.2%	4,767	46.8%
Male	102	41.8	5,428	53.2
Education				
Less than high school	2	0.8%	N/A	N/A
High school graduate	91	37.1		
College graduate	114	46.6		
Graduate degree	38	15.5		
Number of years as a resident				
Less than 2 years	9	3.6%	N/A	N/A
2 – 10 years	87	35.0		
11 - 20 years	68	27.3		
21 - 30 years	62	24.9		
More than 30 years	23	9.2		
Tourism dependency of all household members				
Not employed in tourism	171	69.2%	N/A	N/A
Employed in tourism	76	30.8		
Residency status				
Seasonal resident	10	4.0%	N/A	N/A
Full time resident	241	96.0		

did not have high school degrees. On length of residency, the largest group was households living in Valdez between two and ten years. Over half lived in Valdez, 11 to 30 years and an additional nine percent lived in Valdez more than 30 years. Most respondents (96%) were full-time residents. On employment, three out of ten respondents worked in the tourism industry.

Residents expressed that all 14 visitor market segments had a greater positive contribution on the economy than their own QOL (Figure 1). All the paired t-tests were significant at $p < .01$. The visiting friend and relative market and sport fisher market held the most positive economic and QOL ratings. QOL and economic ratings for each target market were positively correlated ranging from 0.35 for summer independent travelers to 0.66 for

snowmobilers (Figure 2). An additional analysis showed how these two impacts were rated consistently (on the diagonal of a cross-tabulation). Consistency in ratings ranged from 48% of respondents positively rating the impact recreation vehicle travelers had on QOL and economics to 72% of respondents positively rating QOL and economic impacts. For those who rated impacts inconsistently, economic impacts were most commonly rated more positively than QOL impacts (Figure 3). Inconsistency in ratings ranged from a high of 52% respondents rating RVer's economic impact more positive than QOL impacts to a low of 28% respondents rating VFR's economic impact more positive than QOL impact. As shown in Figure 3, small numbers of respondents rated any of the tourist market segments as impacting QOL more positively than economic impacts.

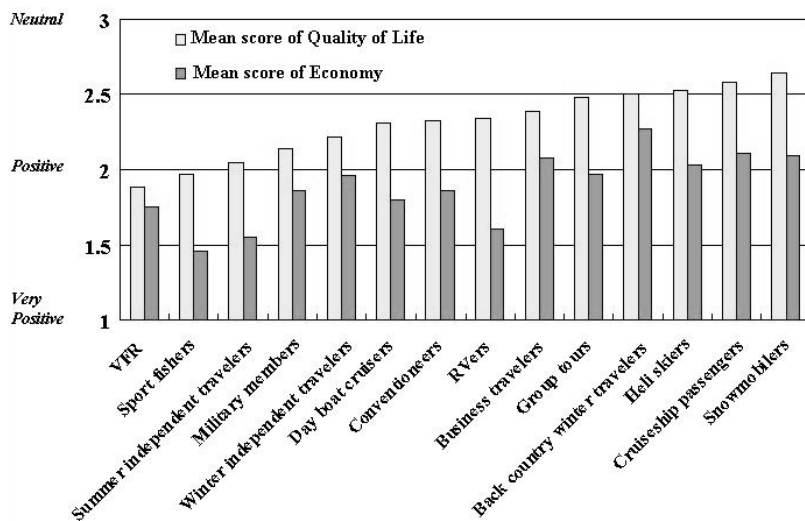


Figure 1.—Residents' perceptions of tourist impacts on their quality of life and economy in Valdez.
Note: Scale continued to "5" for very negative

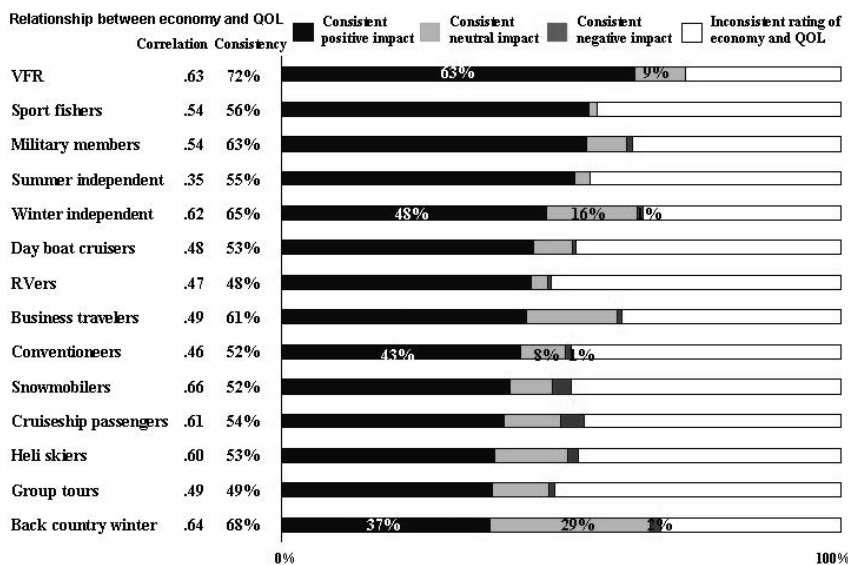


Figure 2.—Correlation and consistency of tourist impacts on the economy and quality of life in Valdez as viewed by residents

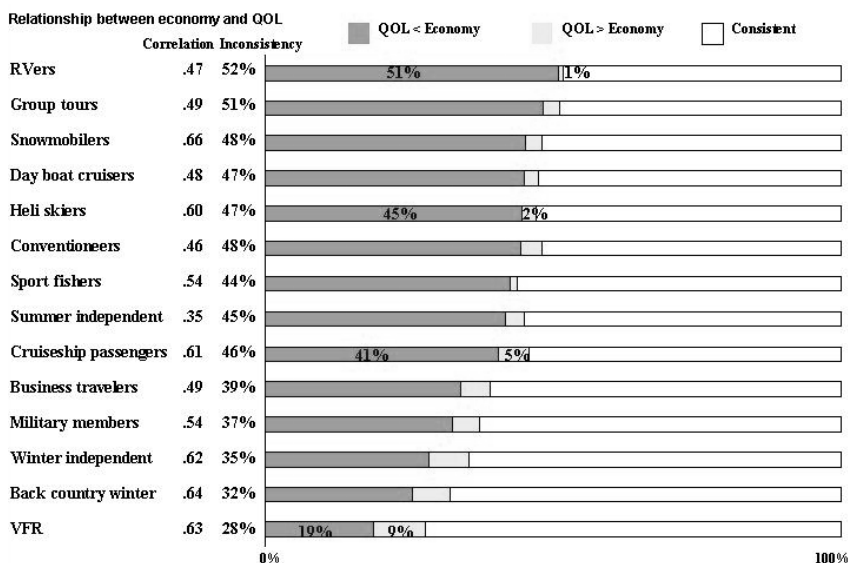


Figure 3.—Correlation and inconsistency of tourist impacts on the economy and quality of life in Valdez as viewed by residents

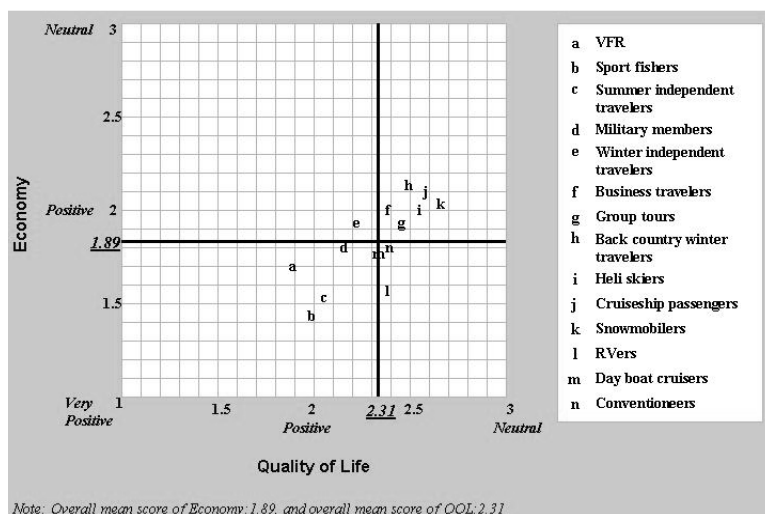


Figure 4a.—Plot of mean scores

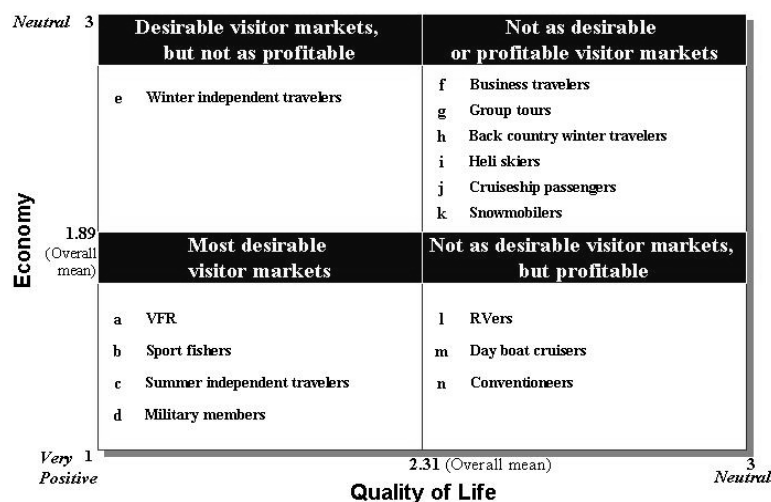


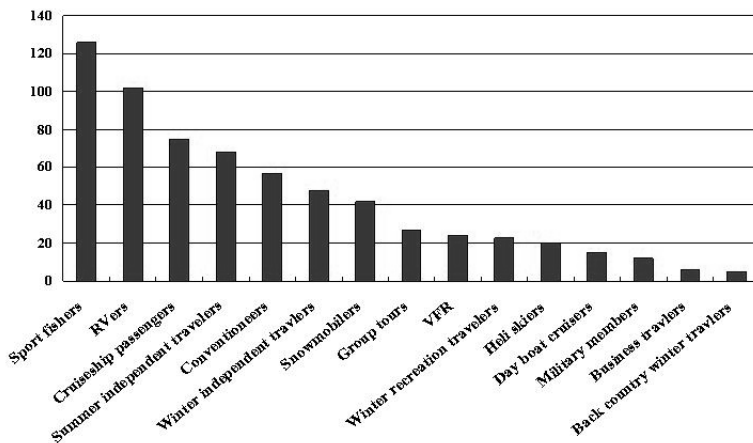
Figure 4b.—A closer look at target markets “above and below” the means

When ratings were plotted, the most desirable tourist segments were friends and relative visitors, sport fishers, summer independent travelers, and military personnel on leave (Figure 4a and 4b). Back country winter travelers, cruise ship passengers, heli skiers, and snowmobilers shared a similar place in the plot that was less desirable. Winter independent travelers were rated by residents as a market that was desirable in terms of its impact on QOL, however not particularly profitable. RVers, day boat cruisers and conventioneers were viewed as contributing economically, however not as desirable from a QOL perspective. A final strategy for assessing the perceptions of tourist market segments by residents was to ask in an open-ended manner those markets that hold the greatest opportunity for the community. Residents

were allowed up to three markets and on average, 2.5 target markets were provided. Sport fishers, RVers, cruise ship passengers, and summer independent travelers each received at least 50 votes from residents (Figure 5).

5.0 Discussion

This research shows residents view visitor markets differently by the impacts they have on quality of life and the economy. Residents in Valdez rated economic impacts more positively than the impacts visitor markets have on QOL across all 14 visitor markets examined. Sportfishing is particularly positive in residents' views of the economy possibly to support the loss of commercial fishing jobs. Overall, our findings could be interpreted as visitors are economically important and provide positive



Note: 256 completed questions and an average with 2.5 target groups mentioned

Figure 5.—Residents' importance rating of target groups for future tourism development in Valdez

impacts to the economy, however have less of a positive impact on residents' quality of life possibly because residents and tourists may not encounter each other. Another explanation is that visitors and residents interact in the community and residents feel their QOL is slightly compromised. The correlation between QOL and economic ratings were moderately strong in a positive direction for all visitor markets. Next, consistency in ratings were examined and showed that several visitor markets (e.g., VFR, sport fishers, military, and summer independent travelers) garnered consistent positive ratings on both QOL and economics. Other target markets received more inconsistent ratings. For instance, residents rated RVers, group tours, snowmobilers, and day boat cruisers as contributing more to the economy than residents' QOL.

The theoretical contribution of this research shows that Valdez residents hold a mix of tolerance and embracement strategies (Ap & Crompton 1993) toward tourist market segments. The strong support for the economic impact that tourism brings, particularly with summer tourism markets, shows the locals embrace their current dependence and future livelihood on tourism. Further, as expected, VFR, independent travelers, and back country winter visitors were positively and consistently rated on economics and QOL. For social or quality of life support, residents show more of a tolerate

strategy with economics rated higher than the effect tourism has on local households' QOL. Additionally, as expected, RVers, group tours, conventioners, and cruise ship passengers received the highest inconsistency levels with economics rated more positively than QOL impacts. Little empirical evidence from this study suggests residents hold an adjustment or withdrawal strategy.

The managerial contribution of this research suggests to Valdez that there are preferred or more desirable tourist market segments to the residents of the destination. The mean plot figures (Figures 4a and 4b) show the most desirable visitor markets to Valdez residents include – VFR, sport fishers, summer independent travelers and military personnel on temporary leave. Visitor markets with lower ratings on both QOL and economic impacts include: cruise ship passengers, business travelers and group tours. Additionally, visitor market segments that residents find particularly attractive in the future are sport fishers, RVers, cruise ship passengers, summer independent travelers and conventioners. Residents may see these four markets as important because they are growing and sizable markets to the Valdez economy. Tourism leaders in Valdez should be watchful of changes in QOL brought on by cruise and convention groups, as well as RVers, and work to garner maximum economic impacts from these groups with local suppliers and local employees.

6.0 Citations

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