STUDY ON TOURIST PERCEPTION AND MULTIPLIER EFFECTS OF MALALAYANG BEACH WALK DEVELOPMENT IN MANADO CITY TOWARD THE LOCAL COMMUNITY ECONOMY

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Abstract

The existence of facilities at a tourist destination has a great influence on the number of tourist visits and the economy of local communities. If the destination is known as unique and all the supporting facilities can provide comfort for tourists, the potential for increasing the number of tourist visits and the economy of local communities will be even greater. Although beach reclamation has many positive aspects, it has changed the face of Manado Bay, which has lost its sandy beaches. The loss of sandy beaches has also resulted in the loss of beach recreation areas, boat moorings and coastal green open spaces. As a result, the location of beach recreation has shifted from the area near the city centre to the Malalayang Beach area, which has now been developed into the Malalayang Beach Walk tourist object. This study was conducted to determine the tourist perception and multiplier effects of the Malalayang Beach Walk development on the local community economy. The analysis used in this study is qualitative and quantitative. The data used was collected through interviews, observation, and documentation. From this research, information was obtained that the newly constructed Malalayang Beach Walk has been able to increase tourists' perception of the Malalayang Beach tourism object. Likewise, the development of Malalayang Beach Walk has proven to be very effective in increasing the number of tourists and the local community's income.

Keywords: *Local Communities Income, Keynesian Income Multiplier, Malalayang Beach Walk, Number of Visitors,*

Introduction

In organising its government, the region must have the authority and ability to explore financial resources, manage and use its own adequate finances. One of the efforts that can be made is to utilise exotic resources in tourism sites. We know that the tourism sector is very instrumental in national development, as an additional source of foreign exchange earnings, equalising and increasing employment opportunities and community income. The development tax generated by this sector has become a foundation of local revenue (PAD), see **Figure 1**. Since development is essentially the use of resources to improve welfare, tourism development is one of the efforts to accelerate economic growth.
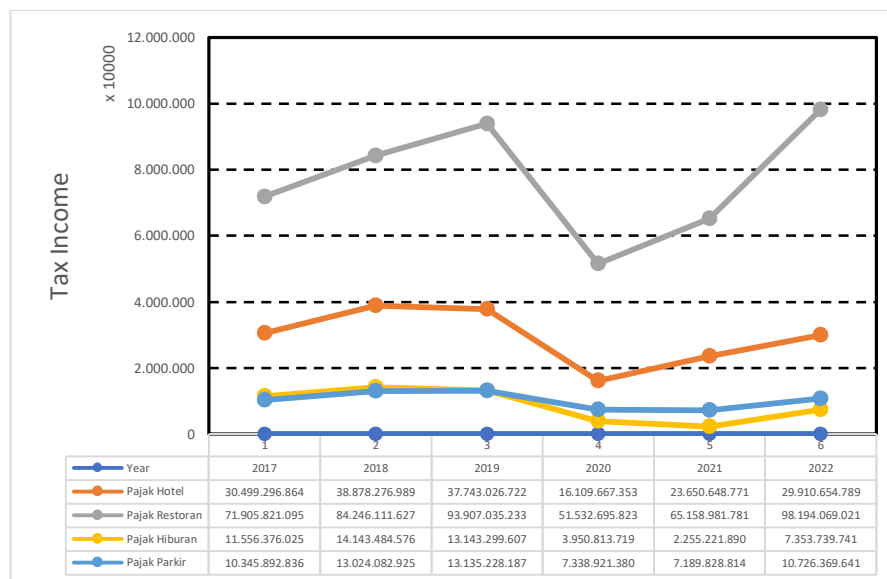
Figure 1: Tourism Sector Income Year 2017 s.d 2022
[Source: BPS Manado]

The city of Manado is one of the cities in Sulawesi where the economy is heavily influenced by the trade, service and tourism sectors. In recent years, tourism activities in Manado have grown rapidly. This is evidenced by data showing a significant increase in the growth of tourist and visitor visits from 2010 to 2019. Although the number of tourist and visitor visits decreased significantly in 2019-2021 due to the COVID-19 pandemic, the number of tourist and visitor visits started to increase again in 2021-2022, see **Figure 2**.

The city of Manado is known as the waterfront city. The city has an administrative area of 157.26 km2, including 3 inhabited islands, namely Manado Tua Island, Bunaken Island and Siladen Island. In the 2021-2026 Manado City Regional Medium Term Development Plan (RPJMD) document, it is stated that the entire area of Manado City is an integrated ecotourism based tourism area. This includes Manado Beach, which stretches from Malalayang Beach to Molas Beach. The RPJMD document also states that the priority tourism development plan in the urban area consists of business tourism in the reclamation area and the beach area in Malalayang sub-district.
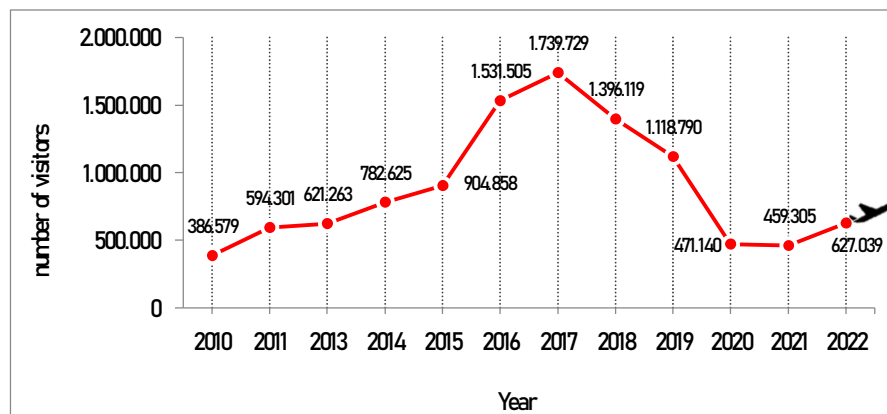
Figure 2: Number of Visitors to Manado 2010-2022
[Source: Tourism Office of Manado]

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As the capital of North Sulawesi Province, the city of Manado is increasingly being developed in conjunction with the expansion of the reclamation area, which stretches from north to south in Manado Bay. Reclamation activities have had a positive impact on the infrastructure and business development that support the regional economy. However, reclamation has removed most of the sandy beach in Manado Bay. As a result, the function of the sandy beach area along Pierre Tendean (Boulevard) Road has shifted to Malalayang Beach, which has now been developed into the Malalayang Beach Walk tourist object.

Malalayang Beach Walk (MBW) has recently become one of the most popular tourist spots in Manado City, currently located in Malalayang Sub-district 2. It only takes 15-20 minutes to reach Malalayang Beach Walk from the centre of Manado. This tourist spot is located on the edge of the Trans Sulawesi route. There are also many other tourist objects in the area.

The development of the tourism industry in an area, such as the construction of restaurants or food stalls, small businesses and other tourism services, directly creates jobs in the area that can be managed and used by the local community workforce. The Manado City Government also believes in the impact of the MBW tourist object. Tourism activities at the MBW will have a positive multiplier effect on the regional economy and the welfare of the local people.

Given the huge potential of MBW natural beach tourism, it is considered important to conduct research to assess the number of tourist visits and the economic impact of natural beach tourism activities. This value is important to know in order to see the extent of the economic impact (multiplier effect) and economic leakage generated by these tourism activities. The analysis of the multiplier effect is carried out by identifying all the small economic operators and tourists present on the MBW beach. The purpose of this study is to analyse the perceptions of visitors, economic operators and employee towards the MBW beach tourism object and to analyse the impact of activities at the MBW beach tourism object on the local community economy.

Literature Review

Destinations and Objects of Tourist

Destinations and objects of tourism are among the main components of tourism activities. Tourists visit a place because they are interested in something. A place that becomes a tourist object is called a tourist destination. Hadinoto (1996) states: "A tourist destination is a specific area chosen by a visitor to stay. Another definition is given by Ismayanti (2010): "Tourist destinations are places where travellers spend their holidays". Whereas the tourist object, according to Yoeti (1985), is everything that attracts people to visit a place.

Tourists visit

Cooper (1995) suggests that the attractiveness of a tourist destination in terms of the number of tourist visits depends on 4 (four) things, including
a. Objects are everything that is contained in tourist areas that can attract tourists to visit an area, such as attractive nature, compelling regional culture and performing arts.
b. Accessibility, such as the existence of local transport, namely terminals, stations, etc.
c. Amenities or facilities are infrastructure facilities provided by tourism management or for tourists, such as the availability of hygiene, health, safety, communication, entertainment facilities, hotels/inns, restaurants and souvenir shops.
d. Ancillary services are tourism organisations needed for tourism promotion and information services such as destination marketing organisations, conventional and visitor bureaus.

Economic impacts

Tourism activities, or various economic activities through the use of tourism objects, will certainly have an economic impact. According to Ennew and Linberg in Prasetio (2011), economic impacts can be divided into three categories, namely direct, indirect and induced impacts. Direct benefits can result from direct tourist spending, such as spending on restaurants, accommodation, local transport and others. In addition, businesses that receive direct impacts will require inputs (raw materials and employee) from other sectors, causing indirect impacts. In addition, if the sector employs local employee, the spending of local employee will cause

induced impacts in the tourism location. Induced impact is a change in economic activity resulting from household spending on income derived directly or indirectly from tourism, e.g. employees of restaurants or car parks directly or indirectly supported by tourism activities spend their income in the area on housing, food, transport and other needs.

Multiplier Effect

Ismayanti (2010) said that the multiplier effect process is a process that shows the extent to which national income will change the effect of changes in aggregate spending. The multiplier aims to explain the effect of an increase or decrease in aggregate spending above the equilibrium level and especially on the level of national income. The uniqueness of the tourism industry in the economy is in the form of a multiplier effect of tourism on the economy. Tourism affects not only the economic sectors directly related to the tourism industry, but also industries not directly related to the tourism industry. The analysis of the economic impact of tourism activities refers to the income, sales and employee elements in tourism areas that are generated as a result of tourism activities. The multiplier measure is the additional spending effect introduced in economics. It is the marginal of the average change. In the case of tourism, additional spending in an area can take any form, including (a) spending by visiting tourists on goods and services, (b) investment from outside, (c) government spending such as infrastructure costs, (d) export of goods due to tourism stimulation. As with economic impacts, Belinda, 2013 states that spending can be analysed in the following ways:

a.   Direct Spending

In tourism, spending by visitors on goods and services in accommodation, restaurants, shops and other tourism facilities that produce tourism goods for export, or investment in tourism.

b.   Indirect Spending

Indirect spending includes business-to-business transactions resulting from direct spending, such as purchases of goods by shopkeepers from local suppliers and purchases by local suppliers from wholesalers.

c.   Induced Spending

Induced Spending is an increase in consumer spending resulting from the additional personal income generated by direct spending.

Based on the explanations from various sources above, we can conclude that the economic multiplier is a value that indicates the extent to which tourism spending stimulates further spending, which in turn increases economic activity at the local level. According to the terminology, there are three multiplier effects, namely direct impacts, indirect impacts and induced impacts. These three impacts are used to calculate the economic value, which is then used to estimate the economic impact at the local level.

Research Methodology

The method used in this study is a survey method conducted at the new Malalayang Beach Walk (MBW) Phase I tourist facility located in Malalayang II Village, Malalayang District, Manado City.

Population and Sample

In this study, the samples of employee, business unit owners and tourists were determined using the random sampling technique with the formula of Slovin (Sugiyono, 2016).

$$n = \frac{N}{1 + Ne^2}$$

Description :

n = Number of respondents
N= Total Population
e = Acceptable Margin of Error (20%)

Data Collection Method

The data in this study were obtained from primary data collected through interviews, and questionnaires. In addition to the primary data, there is also secondary data in the form of sales results per kiosk for the operating period from October 2022 to March 2023, which was obtained from PD Pasar Management. The data was in Excel, containing information on the name of the kiosk, orders, units sold and net sales for 165 days, daily net sales and monthly sales.

Data Analysis Method

The data analysis method used in this research is descriptive qualitative and multiplier effect analysis.

a.   Analysis of tourists perceptions
In order to analyse the perceptions of the visitors, a descriptive qualitative method is used. Perception is carried out to assess tourist objects, facilities and infrastructure, accessibility and public attitudes so that they know the bad and good conditions of tourist objects. The assessment is made using a Likert scale with a score range from 1 to 5, where 1 = very poor, 2 = poor, 3 = fairly good, 4 = good and 5 = very good.

b.   Analysis of *Multiplier Effect*
According to META (2001) explains that the formula for calculating the multiplier value of tourist spending can be done by means of; (1) Keynesian local income multiplier, where the value resulting from spending more or less is multiplied to find out the addition and subtraction of local income. (2) The income

multiplier ratio is the value obtained from the increase and decrease of direct income from the local economy, which is multiplied to obtain the result of the increase and decrease of total local income. Systematically formulated:

Keynesian Income Multiplier $\qquad$: $\frac{D+N+U}{E}$

Ratio Income Multiplier type I $\qquad$: $\frac{D+N}{D}$

Ratio Income Multiplier type II $\qquad$: $\frac{D+N+U}{D}$

where :
E $\qquad$: Amount of money spent by visitors (in rupiah)
D $\qquad$: Business owner's income received directly from E (in rupiah)
N $\qquad$: Employee income indirectly derived from E (in rupiah)
U $\qquad$: Employee spending indirectly derived from E (in rupiah)

Criteria:

1.   If these values are less than or equal to zero (≤ 0), the tourist destination has not been able to generate any economic impact from its tourism activities.
2.   If these values are between zero and one ($0 < x < 1$), the tourism destination still has a low economic impact value.
3.   If these values are greater than or equal to one (≥ 1), the tourism destination has been able to generate an economic impact from its tourism activities.

Results and Discussion

Overview of MBW 1

Malalayang Beach Walk (MBW) is actually a promenade adjacent to Bunaken, Tomohon-Tondano and Bitung-Lembeh areas. The MBW Promenade Phase 1 was built 1.2 kilometres long by prioritising the enhancement of the figuration of the city's public spaces that stretch along the beach, so that it can become a waterfront city to beautify the face of the city towards the beach.

The MBW Promenade Stage 1 (MBW 1) has been deliberately designed not only as a beach walk, but also as a space for pluralistic activities of the inhabitants. Visitors can walk to enjoy the panoramic views of the beach between the trees, or simply sit on the beach and exercise. At several points along the promenade, there are landmark buildings that add visual appeal to the area, such as the Cultural Space, which is an open-air theatre, several pier towers with traditional Manado building designs, tower kiosks and piers as area gate markers, and the Green Tunnel Corridor, which is preserved along the promenade for motorists and motorcyclists.

The potential of Malalayang Beach includes the historical site of Batu Irana, which is the former stone of two Minahasa ancestral footprints, including those of Dotu Tumampasa and Dotu Kaburo, and there is a green tunnel and panoramic view of the beach.

The development of the Malalayang Beach Promenade does not exclude the needs of existing traders or business unit owners in the area. The business unit owners are super micro entrepreneurs who are residents around Malalayang sub-district. The arrangement and development were carried out by the Ministry of PUPR with the construction of 48 kiosks in 2 units of tower and dock kiosks and 36 kiosks in 2 units of floating stalls.

Determining of Sample Size

As it is currently difficult to obtain real data on the average daily number of tourists, the average daily number of tourists is determined on the basis of the estimated number of pax ordering food and beverage. In this case, the estimated average daily pax is considered to be the average real number of visitors who come and shop in the MBW 1 tourist area. This means that 1(one) pax of food and beverage is considered as 1 (one) visitor. The source of data for the average daily pax is obtained from PD Pasar as the management of MBW 1 tourist Area.

Table 1: Number of Respondents

Name of Data	Total Population (N)	Acceptable Margin of Error (e)	Number of Sample (n)	Number of Respondent
Number of Tourists	2494	0.2	25	137
Economic Operators	57	0.2	17	57
Workers	114	0.2	21	21

[Source : Analysis result, 2023]

From the results of the calculation, assuming the estimated number of pax ordering food and beverage, the average daily population of tourists is 2.494. In order to determine the number of samples to be taken from the population, the Slovin formula was used with a margin of error of 0.2. The results according to the number of tourists, business unit owners and employee are shown in Table 1 above.

Tourists Perception

In this study, after conducting interviews, it was also continued with the distribution of online digital questionnaires to obtain data in analysing the perceptions of tourists, employee and business unit owners.
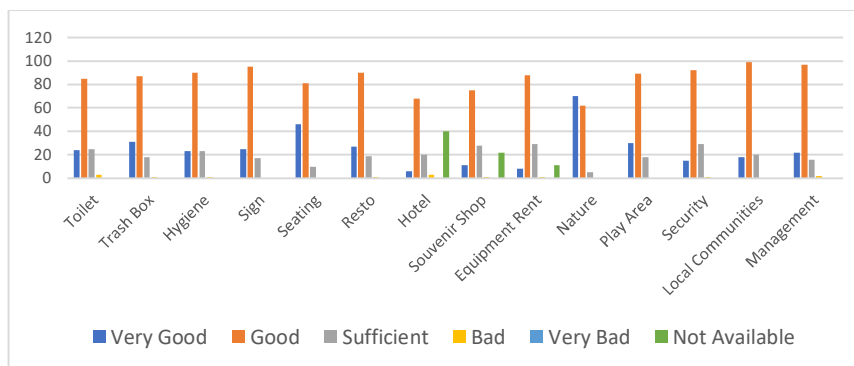
Figure 3: Tourist Perception of MBW 1
[Source: Anaysis Result, 2023]

From the results of the interview, the researcher considers that in this case the perceptions of tourists, employee and business unit owners towards this MBW 1, the perceptions are the same. The reason for this is that this tourist object has just been built and has only been in operation for about 6 (six) months. Therefore, the perception data presented in this paper are only tourist perception data with a total of 137 respondents (Figure 3).

The tourists' perception of the tourist object of MBW 1 is generally good. In particular, 70% of tourists gave a very good rating to the perception of the natural landscape of MBW 1. In general, the visitors say that the natural landscape along the MBW 1 is very beautiful.

Multiplier Effects

a.   Direct Economic Impact

The direct economic impact is the benefit felt by the community in the form of income received by the initial beneficiary as a result of tourist spending. The first beneficiaries in this study are referred to as business unit owners. The MBW 1 tourism site has a real economic impact on the local community. Total tourist spending of Rp. 263,900.00 is estimated for one visit per tourist, which consists of food and beverage needs, entrance tickets (if any), parking, rental of playground equipment, souvenirs, documentation and miscellaneous. Details are given in Table 2. Especially for the toilet. We do not have to pay to use them. This is because the public toilets were deliberately built by the government for visitors, and their maintenance is carried out by the management of MBW 1, which has been entrusted by the City Government.

Table 2: Tourists Average Daily Spending

Cost	Average (Rp.)	%
Food and Beverage	111,220	42
Entrance	-	-
Documentary	43,000	16
Souvenir	20,000	8
Equipment Rent	81,081	31
Parking	8,598	3

Cost	Average (Rp.)	%
Toilets	-	-
Total	**263,900**	**100**

[Source : Analysis result, 2023]

b.   Indirect Economic Impact

The MBW 1 tourist area has opened up great opportunities for the municipality to optimise the services provided by the business unit in the form of food stalls, mobile snack vendors, playground equipment hire, car parks and others. This business unit existed before the MBW 1 tourist area was much better arranged. These business units are generally informal, small-scale and only busy on four days a week (on Friday, Saturday, Sunday and Monday), but they are sufficient to meet the needs of tourists. Indirect economic impacts can be calculated from the proportion of spending that has an impact on the tourist object and other spending that is leakage. The indirect economic impact of MBW 1 is found in the components of employee wages, purchases of raw materials, equipment maintenance costs, and business unit owners' needs for food and beverage. The leakages are in the components of operating costs and local transport. Indirect economic impact in terms of average daily spending of business unit owners, which can be seen in full in Table 3. The employee salary of Rp. 186,984.00 is calculated on the basis of the average number of employees working in each business unit, which is 2 (two) employees. Therefore, the average daily salary per employee is Rp. 93,492.00 or Rp. 33,657,120.00 per year.

Table 3: Business Unit Owners Average Daily Spending

Cost	Average (Rp.)	%
Employee Salary	186,984	15
Materials	244,048	50
Equipment Maintenance	17,778	4
Operating Costs	57,083	12
Bank Return Credit	-	
Food and Beverage	60,833	16
Local Transportation	17,424	4
Levies and Taxes	49,028	10
Total	**490,658**	**100**

[Source : Analysis result, 2023]

Based on the data and information provided by the management of MBW 1, the business unit owners earn an average total net income of Rp. 5,000,000 per month or Rp. 60,000,000.00 per year. However, in order to find out how much business unit owners spend on managing their business in MBW1, a question and answer survey was carried out in the field. The results can be seen in the summary table of business unit owners' spendings (Table 3) above. From the total daily spending of Rp. 490,658,00 the business unit owners still get an average daily net profit of Rp. 343,461.00 (70% of Rp. 490,658.00). Therefore, assuming that the average daily net profit figure occurs during the busy visitor times (4 days a week, namely Friday, Saturday, Sunday and Monday), the average total net profit of each business unit owner in one year is Rp. 65,944,485.00. This value is similar to the estimated net income data provided by the management of MBW 1, which is Rp. 60,000,000.00 per year. Thus, the results of the calculation with the assumptions made are justifiable.

Even this MBW 1 tourist area also provides good benefits to management. The management earns an average monthly income of approximately Rp. 100,000,000.00 as a minimum income to enable the management to finance the operating costs of the MBW 1 tourist object. The management's income is a form of indirect impact, which means that the management's income comes from the business unit or business unit owners for cleaning and operating costs (rent, electricity, etc.) in the form of a 20% profit sharing commitment for the management.

c.   Induced Economic Impact

Induced economic impact is an economic impact other than direct and indirect economic impact. This impact is an additional impact of the income earned by local employees from the business unit in which they work. The number of employees working in the business units in the area of the MBW 1 tourist object is 114 people. The Induce Economic impact results from the daily spending of the local workforce in a tourist destination. The data in Table 4 shows that the largest spending for the workforce is daily food and beverage at 58% or Rp. 20,000.00 and transportation at 42% or Rp. 14,211.00. Induction income is the spending incurred in MBW 1, which consists of the daily food and beverage component, while the transport component is leakage. The average income of workers in MBW 1 is Rp. 93,492.00. The amount of income is still higher compared to the amount of expenses, so it is hoped that the income received can be used for other purposes outside the location of MBW 1.

Table 4: Employee Average Daily Spending

Cost	Average (Rp.)	%
Food and Beverage	20,000	58
Local Transportation	14,211	42
Total	**34,211**	**100**

[Source : Analysis result, 2023]

Without taking into account the income of the management of MBW 1, based on the results of the survey and analysis above, the Keynesian income multiplier value is 1.79, as can be seen in Table 6. This means that an increase in tourist spending of Rp 100,000.00 for a single visit will increase the income of employee, management and business units by Rp. 179,000.00. The value of the Keynesian income multiplier is generated using the multiplier effects formula as discussed in the methodology section, where the values of the multiplier factors obtained are presented in Table 5. The same calculation steps are used to calculate the Type I and Type II income multipliers.

The Type I income multiplier of 1.27 means that the income of the business unit increases by Rp 100,000.00 - from tourist spending, which results in an increase of Rp 127,000.00 - to the total income of the local community. The total income of the local community includes direct and indirect impacts (in the form of income of business unit owners and local employee). The Type II income multiplier ratio was obtained with a value of 1.37, which means that an increase of Rp 100,000.00 in tourist spending results in an increase of Rp 137,000.00 in the total income of the community, which includes direct, indirect and induced impacts (in the form of income of business unit owners or business unit owners, local employee income and spending on food and beverage).

Table 5: Values of Multiplier Factors

Multiplier Factors	Tourists Spending (Rp.)	Economic Operators Incomes Directly from Tourists Spending (Rp.)	Workers Income Indirectly from Tourists Spending (Rp.)	Workers Induced Spending (Rp.)
E	263,900	-	-	-
D	-	343,461	-	-
N	-	-	93,492	-
U	-	-	-	34,211

[Source : Analysis result, 2023]

Table 6: Results of Multiplier Effects Analysis

No	Criteria	Value	Description
1	*Keynesian Income Multiplier*	1.79	The economic impact is large because value of the Keynesian income multiplier obtained is greater than 1 (≥1).
2	*Ratio Income Multiplier Type 1*	1.27	The economic impact is large because value of the income multiplier type I is greater than or equal to 1 (≥1).
3	*Ratio Income Multiplier Type 2*	1.37	The economic impact is large because value of the income multiplier type II is greater than or equal to 1 (≥1).

[Source : Analysis result, 2023]

Conclusions

1.   In general, the perception of tourists giving a good rating to the MBW 1 tourist object and its supporting facilities is 70% and above. This means that the condition of the tourist facilities is considered in the range of good to very good. With this good perception, it is of course hoped that the management and local authorities will continue to maintain the good conditions and management of the MBW 1 Tourist object.

2.   The results of the multiplier effect showed a Keynesian income multiplier of 1.79 a type I income multiplier of 1.27 and a type II income multiplier of 1.37. Therefore, it can be concluded that the location of the Malalayang Beach Walk tourist object in Manado City is capable of having a large economic impact on existing tourism activities.

Acknowledgement

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