Original Article

Factors of Local Community Participation in Tourism-Related Business in Kuala Terengganu, Malaysia

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Abstract: Tourism development has enabled the involvement of local communities, particularly in tourism-related business. Community involvement can improve the socio-economic status of the locals, especially in removing them from the clutches of poverty. Recognizing the importance of community involvement, this study attempts to measure the level of local participation in tourism-related business and identify the factors that stimulate community involvement in tourism-related business. A quantitative method of survey questionnaire was employed for data collection on the tourism-related micro and small enterprises in Kuala Terengganu. The study employed a purposive sampling method, obtaining responses from 113 tourism-related businesses across various categories, including accommodation, amenities, attractions, accessibility, and activities. The study used descriptive analysis, multiple regression and mean analysis. The result of the study reveals a high level of local community participation in tourism-related business in Kuala Terengganu, and encouragement from family was found as the most significant factor for participation. This study contributes to the body of knowledge on tourism-related business in suburban areas. The findings of the study will be useful for the tourism and authority stakeholders in the planning to promote participation of the local community in the tourism industry through involvement in business.

Keywords: Local community; Participation factors; Tourism-related business, Kuala Terengganu-Malaysia

1. Introduction

The development of tourism has facilitated the engagement of local communities, especially in businesses associated with tourism. These businesses encompass services catering to tourists' requirements and desires, including food, lodging, transportation, and other essentials. Haber and Reichel (2005) assert that the tourism sector encompasses a variety of enterprises and endeavors providing diverse tourism experiences and activities for tourist. The money tourists spend not only on their actual stay but also on local businesses has a positive impact on the economy of the nations where they travel. Also, it generates a significant amount of employment opportunities for those employed in the transportation and hospitality sectors, among others. Moreover, tourism has the potential to strengthen linkages between states or corporations, produce chances for amusement and relaxation, and raise the worth of a currency. For tourists,

it can result in more happiness, wellbeing, and education, and it can also create chances for cultural exchange. According to Mitchell and Reid (2001), a community drives the development of tourism. Since the community is more conscious about how much the environment should be developed in relation to tourism related activities, it will be easier to conserve the environment when ecotourism is included. Due to the community's increased awareness of how much the environment should be developed in relation to tourism-related activities, the environment will be conserved in the context of ecotourism with the involvement. The most crucial aspect of local communities' involvement is allowing them to profit from the development happening in and around their neighborhood.

In addition, the most crucial aspect of local communities' involvement is allowing them to profit from the development happening in and around their neighborhood. Besides that, it is believed that community involvement in the tourism industry have the potential to support tourism development (Murphy & Medin, 1985). The local community has benefited from the growth of tourism. When it comes to most job openings in the tourism industry, local community are given preference. This will keep them from being cast aside, allowing them to continue participating in conventional economic activities, and preventing them from experiencing any economic change. Failure to include the local community will result in ongoing poverty among locals, which will eventually have a detrimental impact on the population's tourist development and impede its future success (Ranis et. al, 2000). These facts require that local community involvement be encouraged.

1.1. Tourism Development in Kuala Terengganu

Terengganu is emerging as a top spot for domestic tourism in Malaysia, ranking second in attracting visitors from across the country, based on the Domestic Tourist Statistics, Terengganu Socioeconomic Report 2022, (Terengganu Strategic & Integrity Institute, 2022). The number of domestic tourists to Terengganu increased by 175.2% in 2022, reaching 805.3 thousand visitors, contributing an estimated RM3.9 billion to the state's economy. This surge could be credited to effective marketing, better services, and new tourism initiatives. This growth has positioned tourism as a key economic driver, creating jobs and boosting local incomes. Heritage, culture, and ecology are the three main elements that the state government has determined are essential to creating a unique identity in the tourism industry. Terengganu has an abundance of traditional goods that can be promoted, such as batik, silk, mengkuang weaving, crafts, wood carving, copper products and musical performances (Abdul Halim & Che Mat, 2010). As a result, the creative industries are essential to Terengganu's tourism industry. Creative industry also referred to as the cultural industry, is essential to tourism industry and make significant contribution to the gross domestic product (GDP) of Southeast Asian countries (Abdul Halim & Che Mat, 2010).

Tourism is a prominent industry with the capability to generate income for developed as well as developing countries. Most countries view the tourism sector as a crucial one that needs strategic and development planning to remain competitive in the modern world and increase advantages to the nation and its local populations. According to the amount of money it has brought in, the Terengganu tourism sector has likewise established itself as a significant source of income for the nation. In 2021, the sector demonstrated an increase in overall revenue of 1.2 billion recorded due to increasingly positive economic growth momentum reported by the Central Terengganu Development Authority (KETENGAH). This accomplishment is attributable to the dedication of many parties, in introducing and marketing Kuala Terengganu as a well-liked tourist destination that should be visited by both domestic and foreign tourist. The main attractions in Terengganu include Kuala Terengganu, Kemaman, Kuala Nerus, Dungun, and Marang districts, each offering unique experiences ranging from scenic beaches to cultural heritage sites. These areas are popular due to their accessibility, good infrastructure, and promotional efforts. Key destinations for tourists include Terengganu Drawbridge, Pasar Besar Kedai Payang, Batu Buruk Beach, Warisan Island, and i-City Terengganu, catering to diverse interests from cultural exploration to leisure activities (Terengganu Strategic & Integrity Institute, 2022). Nonetheless, Malaysia's domestic tourism sector experienced a downturn in 2021. Domestic visitor arrivals plummeted by 49.9% to 66.0 million, compared to the previous year's 131.7 million. Expenditure on domestic travel and tourism also saw a sharp decline of 54.5%, reaching a record low of RM18.4 billion, down from RM40.4 billion in 2020. This decline was attributed to the impact of Covid-19 and the enforcement of Movement Control Orders (MCO) across all states, reflecting the overall performance of domestic tourism in Malaysia.

Community involvement in the development's core activities is necessary. Entries will boost the tourism sector's overall revenue, but more crucially, they will extend the advantages to the nearby communities (Salleh et al., 2011). Long-term sustainability of their life will be indirectly ensured by this, allowing them to participate freely in the mainstream development of the tourism business (Clayton et al.,

1998). In the context of Terengganu, before the development of tourism in Terengganu, most of the locals were involved in fishing (Zain et al., 2018). However, with the establishment of tourism sector, they had shifted to better economic sector especially to the tourism sector. In this sector, some of them work in resorts, as tourist guides and establish tourism related businesses. Nevertheless, fishermen are often categorized among the poor, especially fishermen in Asia. Employment as fishermen is a weather-dependent job, if the weather is good, they will go out looking for sustenance and if the weather is otherwise, their work will be stunted for several months until the end of the monsoon season. This generally makes fishermen work as jobs that depend on the weather and cause the quality of life to be low (Zain et al., 2018). Tourism-related business can boost the local and national economies. Therefore, the purpose of this study is to examine the factors influencing local community involvement in tourism-related businesses. This study only focuses on micro and small enterprises. This study is trying to accomplish the following objectives: (i) To measure the level of local community participation in tourism related-business. (ii) To examine the most influential factor of local community participation in tourism related-business.

2. Literature Review

2.1. Impact of tourism activity on the local community

The impact of tourism-related business can be seen when the number of tourist arrivals, nonetheless, the development of the tourism industry is meaningless if it is notable to reduce the economic gap in the local communities (Salleh et al., 2016). This is due to the involvement of local communities in the development of the tourism industry is often regarded as the key to stable development sustainable (Taylor, 1995). Moreover, communities are expected to share some of the benefits such as employment and income growth and cost reduction due to low wages. Enterprise often refers to small and medium-sized businesses, known as SMEs. Understanding SMEs involves knowing their size and scale. Three types of SMEs in Malaysia are micro, small, and medium-sized businesses. The National SME Development Council (NSDC), which is the leading body for SME development, classifies SMEs according to their annual turnover and size, with some differences between industries.

Manufacturing, agriculture, mining, construction, and services are some of these industries. According to the classifications of the World Trade Organization (WTO), the service sector includes a range of industries, including business, communication, education, finance, healthcare, tourism, and transportation. The United Nations World Tourism Organization (UNWTO) defines tourism as the movement of people for leisure, business, or professional reasons to locations outside of their typical habitat. They are referred to as guests. In general, a visitor is categorized as a same day visitor if their journey does not involve an overnight stay and a tourist if it does. Other than to be employed by a resident entity in the nation or location visited, the trip's objective can be for business, leisure, or personal reasons (Theobald, 2005). When business or professional travel is the primary reason for a trip, it is frequently further separated into two categories: attending meetings, conferences or congresses, trade fairs and exhibitions and other business and professional purposes.

2.2. Factors of local participation in tourism-related business

Previous studies suggest the importance of community involvement in mainstream development. Such engagement can not only boost tourism industry revenue but also ensure that local communities receive the benefits (Salleh et al., 2011). Over time, this approach can help sustain community livelihoods and foster their independence within the tourism industry's development trajectory.

2.2.1. Family

According to Gersick et al. (1997) across the world, family companies have a significant impact. In the world, families are thought to own or run more than two- thirds of all enterprises. The distinctive characteristic of family enterprises is that family members, including children, work together for economic goals, but in non-family businesses, the business and family worlds are typically distinct. According to Basu (2004), to put it another way, "the family is not just a social unit, it is also an economic unit". Because of this, family interactions and rituals, particularly those involving children, frequently take place in public (Seymour, 2015). Most business owners in all four groups had at least one additional family member working for them when their companies first started. Thus, according to Gersick et al. (1997) their more sophisticated perspective on the family life cycle may help to explain the significance that these entrepreneur place on family-first goals that motives, and goals may alter over the family life cycle. Few people with

young children who are still in the early phases of their lives aspire to family-first goals like family employment or generational succession. This is not surprising because it might be too early to think about these. According to the context of the family, it implies that expectations for the family may change over time.

2.2.2.Interest

Interest is defined as passion to run a business Saleh et al., (2016). When a local community is passionate about its business, its success is the top priority. This indicates that the local community will put forth great effort to provide a good that the intended consumers will buy. They will strive to offer the greatest customer care possible to keep their current clients loyal to their company. Instead of experiencing short-term results that can never be recovered, the entire focus is on generating long- term success for their business. According to Saleh et al., (2016) participation in the business allows them to make drastic decisions independently and without being bound by any party. Despite the hurdles along the path to success, the local community should be motivated by their aspirations to excel. Moreover, community members often take pride in becoming business owners (Saleh et al., 2016).

2.2.3. Confidence

The local community has self-confidence in operating their business, which has faced all the challenges of business. According to Anderson et al. (2009) stated that entrepreneurial attitudes predict entrepreneurial intentions that lead to individual behaviors. Ho and Koh (1992) argued that self-confidence is a required entrepreneurship characteristic and self-confidence is related to other psychological characteristics. The local community also practices the knowledge while operating their business. In business, confidence is crucial because it enhances communication, helps local community cope with conflict better, makes them happier at work, makes it easier for them to accept criticism, and can help them become better managers or leaders. An effort to build self-confidence, local communities stated that they should be prepared to improve the situation when there is a complaint from a customer. Knowledge or skill is the lowest item. However, these items are still at a high level of agreement (Saleh et al., 2016).

2.2.4. Opportunity

A business opportunity is the possibility to start a firm by utilizing an event in the market involves some sort of market-wide advantageous circumstance. Some businesses prosper because of a business opportunity, whereas others fail. Leaders are successful because they identify opportunities before others do, plan for them, and then create business models to take advantage of them. An opportunity is crucial for success in business. A business cannot start, grow, or be successful without it. An opportunity's primary function is to provide the foundation for any activity that leads to financial gain and company expansion. Opportunities give firms the chance to develop, adopt, and improve their ideas and inventions. According to Saleh et al. (2016) local communities felt that going into business will give more time as compared to other occupations that are bound by working hours. Most of them became businessmen as they want to work independently.

2.2.5. Income

Income is defined as the amount that local community received from clients in exchange for the items or services that they provide. For this study, income is referring to the thing that approach and encourage an individual or local community to involve with businesses related to tourism. Which mean the reason why local community involve with business related to tourism is because of they can gain more profit and income by selling or providing their service to the customer or client. Figure 1 indicate the determinant factors of participation local community in tourism-related business; family, interest, confidence, opportunity and income. The involvement of the local community is contingent upon five distinct independent variables: family, interest, confidence, opportunity, and income (Saleh et al., 2016). When the local community satisfies these independent variables, their propensity to engage in tourism-related business increases. These independent variables wield considerable influence over the local community in Kuala Terengganu. Understanding the category of firm sizes is facilitated by defining the characteristics of small and medium-sized enterprises (SMEs). As defined by SME Corporation Malaysia, a micro enterprise comprises an organization with fewer than 5 full-time employees and an annual sales turnover of less than RM300,000 in both the manufacturing sector and the services and other sectors. In the manufacturing industry, a small

business is characterized by 5 to 75 full-time employees and an annual sales turnover ranging from RM300,000 to RM15 million. Conversely, within the services and other industries, a small business employs 5 to 30 full-time employees and generates annual sales turnovers between RM300,000 and RM3 million.
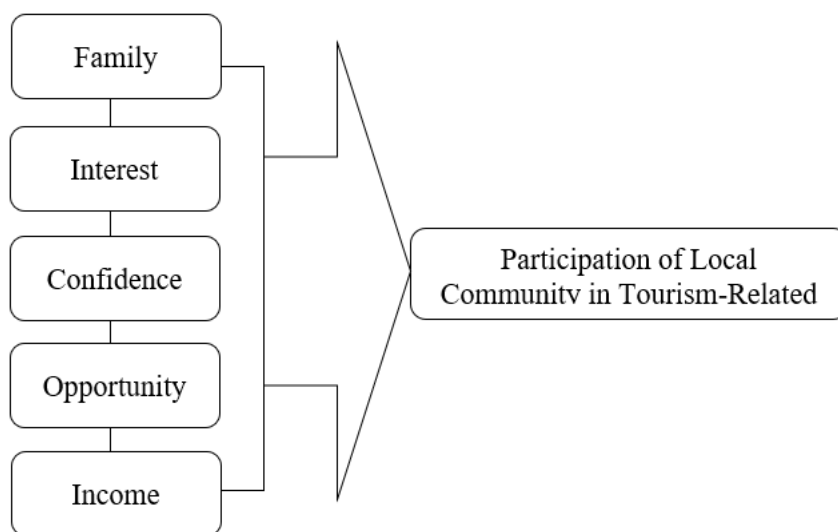
Figure 1. Proposed model of determinant factors of local community participation

Source: Adapted from Saleh et al. (2016)

The aims of the study are to measure the level of local community participation in tourism-related business and to examine the most influential factor of local community participation in tourism-related business. The conclusions are on factors that influence the local community participation in the tourism related business. Initially, for this purpose, all the variables namely family, interest, confidence, opportunity and income are expected to be the factors that stimulate the community to be involved in tourism-based businesses in Kuala Terengganu. Based on the above literature review, this study proposes the following hypotheses:

H1: There is positive relationship between family encouragement and participation of local community in tourism-related business
H2: There is positive relationship between interest and participation of local community in tourism-related business
H3: There is positive relationship between confident and participation of local community in tourism-related business
H4: There is positive relationship between opportunity and participation of local community in tourism-related business
H5: There is positive relationship between income and participation of local community in tourism-related business

3. Materials and Methods

3.1. Research Design

A quantitative method of survey questionnaire was employed for data collection on the tourism-related micro and small enterprises in Kuala Terengganu. Quantitative research is esteemed for its prestige and utility, as it aids in mitigating biases inherent in research endeavors, thereby enhancing the accuracy of findings. According to Guo (2013), quantitative methods are based on numerous probability and statistical theories, with rigorous proofs and support from both simulated and empirical data. Regression analysis plays a paramountcy important role in contemporary statistical methods, which include event history analysis, generalized linear modeling, hierarchical linear modeling, propensity score matching, and structural equation modeling. Quantitative methods can be employed in all stages of a scientific inquiry ranging from sample selection to final data analysis.

3.2. Data Collection Method

Data collection was conducted at Kuala Terengganu involved participants from the local community engaged in micro and small tourism-related businesses. This study employed purposive sampling research method. Specifically, the scope of the study was confined to businesses directly associated with tourism, excluding those unrelated to this sector. This selective criterion posed challenges in data collection, as it necessitated adherence to specific requirements. Open-source data sourced from official government websites, notably including the Ministry of Tourism, Arts, and Culture (MOTAC), Tourism Terengganu and Terengganu Strategic & Integrity Institute have served as primary references for statistical and businesses information. Face-to-face questionnaire dissemination was conducted among local businesses providing accommodation, transportation, attractions, amenities, and recreational activities. The intended respondents comprise local community involved in micro and small businesses within the tourism sector.

3.3. Population and Sampling

Table 1 shows the population of tourism businesses in Terengganu based on 5A of tourism which is accommodation, amenities, accessibility, attractions and activities.

Table 1. Business types in tourism

Business Types	Details	Source
Accommodation	188 registered premises	MOTAC (2024)
Accessibility	Bus, taxis, boat providers	-
Amenities	168 travel agencies	MOTAC (2024)
Attractions	Several main attractions in Kuala Terengganu, which are Terengganu State Museum, Terengganu Cultural Village, Chinatown, Tengku Tengah Zaharah Mosque (Floating Mosque), Crystal Mosque, Payang Market, The Islamic Civilization Park, Noor Arfa Complex (NACC), Kuala Terengganu Drawbridge, Terengganu Science & Creativity Centre	Tourism Terengganu (2020) MOTAC (2024)
Activities	River Cruise and other activities are included are sightseeing, recreational, heritage, culture and more.	Tourism Terengganu (2020)

The population does not precisely delineate the population of micro and small businesses within the tourism sector, as necessitated by the study's objectives. Consequently, the Raosoft Sample Size Calculator was utilized to determine the requisite sample size. Utilizing the Raosoft Calculator with an assumed population size of 20,000, a margin of error of 10%, and a confidence level of 90%, a sample size of 68 was established. Through this data screening process, all data underwent stringent filtering procedures to identify and address outliers. Initially, the dataset comprised 117 respondents; however, following the screening and outlier removal process, the dataset was refined to include data from 113 respondents.

3.4. Research Instrument

This questionnaire developed based on the five independent variables: family, income, interest, opportunity, confidence and the dependence variables are participation of local community in tourism-related business (see Table 2). Each question used Likert scale method from scale 1 to 5. 1 represents strongly disagree, 2 for disagree, 3 for neither agree or disagree, 4 agree and 5 represents strongly agree. The questionnaire is divided into two sections; section A and section B. Section A requires information of the business profile such as name of business, name of business owner, types of business, number of employees and location of business.

Table 2. Studied variables

Construct	Source
Family	
Income	
Interest	
Confidence	Adapted from Saleh et al. (2016)
Opportunity	
Participation of local community in tourism-related business	

In order to address the objectives of this study, both descriptive and regression analyses will be employed. Descriptive analysis will encompass an examination of the business profile, including variables such as the owner and business information, business type, employee number, and location. The regression analysis, on the other hand, will assess the interplay between independent variables namely, familial background, income level, interest, perceived opportunities, and confidence and their potential influence on the dependent variable, namely, the extent of local community involvement in tourism-related enterprises within the Kuala Terengganu locale. This analytical approach seeks to ascertain the degree to which these independent factors contribute to variations in community participation within the tourism sector. All data collected will undergo rigorous analysis utilizing the Statistical Package for the Social Sciences (SPSS). Moreover, the study utilized the Raosoft Sample Size Calculator to determine an appropriate sample size, given the absence of precise population figures for tourism-related businesses in Kuala Terengganu. With a presumed population size of 20,000, the calculated sample size is determined to be 68, ensuring adequate representation for statistical analysis and inference.

4. Results

4.1. Descriptive Analysis

Table 3 reveals that 65.5% male and 34.5% female according to respondents. The types of businesses that operate in Kuala Terengganu in the amenities sector are 43.4%, accommodation 23.9%, accessibility 12.4%, attraction 16.8% and activities 3.5%. While the category of business in Kuala Terengganu, which is micro enterprise, is 15.9% and the category of small enterprise is 84.1%.

Table 3. Business profile (N=113)

Demography/ Category	Frequency	Percentage
Gender		
Male	74	65.5
Female	39	34.5
Types of business		
Amenities	49	43.4
Accommodation	27	23.9
Attraction	19	16.8
Accessibility	14	12.4
Activities	4	3.5
Category of business		
Micro	18	15.9
small	95	84.1

To achieve the first objective, descriptive analysis has been executed which is to find the level of participation of local community in tourism-related business. The level of participation has been categorized into three level which are low, medium and high level. The results of the analysis revealed that 78.8% from the respondents have high participation in tourism-related business, which indicates 89 from 113 respondents. 24 respondents represent to 21.2% has medium participation in tourism-related business in

Kuala Terengganu. The mean value of 4.0248 also indicates a high level of participation local community. This suggests that a substantial portion of individuals in Kuala Terengganu is actively involved in, and likely benefiting from the tourism industry. This trend may be reflective of a conducive environment for business growth, potential economic opportunities, and a community that recognizes and capitalizes on the potential within the local tourism sector. Furthermore, understanding the characteristics and dynamics of high- level participants is crucial for policymakers and stakeholders seeking to enhance and sustain the positive trends in tourism-related business engagement. The descriptive result underscores the need for targeted interventions and support mechanisms that cater to the specific needs and challenges faced by high-level participants, ensuring their continued success and contribution to the local economy.

In addition to the high level of participation, it is essential to explore the medium level of participation among the respondents. Although specific numerical details regarding medium-level participation are not provided, the presence of individuals within this category signifies a diverse entrepreneurial landscape. Analyzing the characteristics, motivations, and challenges faced by those with medium participation levels can provide valuable insights into the factors influencing various degrees of engagement within the local tourism sector. The descriptive result emphasizes the noteworthy prevalence of high-level participation in tourism- related businesses among the respondents in Kuala Terengganu. This information serves as a foundation for further research and targeted policy initiatives aimed at fostering a supportive environment for entrepreneurs and sustaining the positive trends in local community participation within the vibrant tourism industry of Kuala Terengganu.

Table 4. Level of participation in tourism-related business (N=113)

Level	Frequency	Percentage
Medium	24	21.2 %
High	89	78.8 %
Total	113	100 %
	Mean	SD
Participation of local community in tourism-related business	4.0248	0.39291

4.2. Regression Analysis

The second objective is to examine the most influential factor of local community participation in tourism business. To achieve the objective a regression analysis has been implemented. In the regression analysis to participation local community in tourism-related business, the unstandardized beta coefficients provide insights into the relationships between the independent variables and the dependent variable. The results (see table 5) reveal that ($\beta = 0.334$) the positive coefficient for family indicates a significant positive relationship between strong family ties and local community participation in tourism- related businesses. This aligns with the theoretical premise that familial support fosters entrepreneurial engagement. Next, other factors reveal that does not hold a substantial impact on the participation of local community as evidenced by a low number of unstandardized beta coefficient of income ($\beta = -0.032$) the negative coefficient for income suggests a slight inverse relationship between income levels and local community participation. While the effect size is small, the result implies that lower-income individuals may be more inclined to participate in tourism-related businesses. Next, interest ($\beta = 0.150$) the positive coefficient for interest indicates a positive association between individual interest and participation in tourism-related businesses. This supports the theoretical notion that personal interest plays a pivotal role in entrepreneurial endeavors. Confidence does not hold a substantial impact on the participation of local community as evidenced by a low number of unstandardized beta coefficient of ($\beta = -0.274$) the negative coefficient for confidence implies a negative relationship between confidence levels and local community participation. Individuals with lower confidence levels may face barriers to engaging in tourism-related business. Opportunities ($\beta = 0.133$) the positive coefficient for opportunity suggests a positive relationship between perceived opportunities and local community participation in tourism-related business. This underscores the theoretical premise that favorable opportunities stimulate entrepreneurial engagement.

The t-value is a crucial statistic in regression analysis that helps assess the significance of each independent variable's contribution to the model. In this study, the t-value for the family variable is 3.404, surpassing the critical threshold of 1.96. This suggests that the coefficient for family is significantly different

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from zero, indicating a robust relationship between family and participation in tourism-related businesses in Kuala Terengganu.

Table 5. Regression analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.579	0.98		2.631	0.01
Family	0.334	0.098	0.31	3.404	0.001
Income	-0.032	0.115	-0.026	-0.278	0.781
Interest	0.15	0.123	0.113	1.218	0.226
Confidence	-0.274	0.125	-0.194	-2.186	0.031
Opportunity	0.133	0.139	0.09	0.959	0.340

a. Dependent Variable: Participation

The t-value essentially quantifies how many standard deviations the coefficient is from zero, providing evidence of the variable's impact on the dependent variable. Additionally, the associated p- value (Sig. 0.001) is less than the conventional significance level of 0.05, further confirming the statistical significance of the family variable. With a p-value below the threshold, there is strong evidence to reject the null hypothesis that the coefficient for family is equal to zero. This result aligns with the positive coefficient, indicating that as family ties strengthen, individuals are more likely to participate in tourism-related business activities. Overall, the positive and statistically significant t-value for the family variable underscores its importance in influencing participation in the local tourism sector, reinforcing the study's overarching finding that all the hypothesized relationships are positively significant. Policymakers and stakeholders can rely on these statistically supported results to formulate targeted strategies aimed at leveraging and promoting familial ties to enhance entrepreneurial engagement in the tourism-related business landscape of Kuala Terengganu.

Table 6. T-value analysis

Variables	t – value	Sig.	Hypothesis	Conclusion
Family	3.404 >1.96	Sig. 0.01 < 0.05	H1	Supported
Interest	1.218 <1.96	Sig 0.226 > 0.05	H2	Not supported
Confidence	-2.186 <1.96	Sig 0.031 < 0.05	H3	Supported
Opportunity	0.959 <1.96	Sig 0.340 > 0.05	H4	Not supported
Income	-0.278 <1.96	Sig 0.781 > 0.05	H5	Not supported

For the second analysis, mean analysis was executed to compare these five factors which are family, income, interest, confidence and opportunity (see Table 7). The mean value for the family factor, with a score of 4.6088, suggests a relatively high average perception among respondents regarding the influence of family dynamics on their participation in tourism-related businesses. A mean above the mid-point of the scale (assumed to be 3) indicates that, on average, respondents perceive family as a positive and supportive factor contributing to their engagement in entrepreneurial activities within the local tourism sector. These findings align with the theoretical underpinning that strong family ties can foster and encourage entrepreneurial ventures. Besides that, the mean value for income, calculated at 4.5717, signifies a relatively positive perception among respondents regarding the impact of income levels on their participation in tourism-related businesses. With a mean above the mid-point, it suggests that on average respondents believe that income plays a favorable role in influencing their entrepreneurial engagement in the local tourism sector. While the mean does not indicate a strong deviation from the mid-point, the positive score suggests that income is generally perceived as a facilitator. rather than a hindrance to participation.

The mean value for interest, recorded at 4.5062, reflects a positive average perception among respondents regarding the influence of personal interest on their participation in tourism-related businesses. A mean above 4 indicates that, on average, respondents hold a favorable view of the role of interest in driving their involvement in entrepreneurial activities within the local tourism industry. This aligns with the notion that individuals with a genuine interest in tourism are more likely to actively engage in related

business ventures. Next, the mean value for opportunity is calculated at 4.5345, indicating a positive average perception among respondents regarding the influence of perceived opportunities on their participation in tourism-related businesses. With a mean above the mid-point, it suggests that respondents, on average, perceive favorable opportunities in the local tourism sector as conducive to their entrepreneurial engagement. This finding underscores the importance of recognizing and capitalizing on perceived opportunities for increased community participation in tourism-related ventures. The mean value for confidence is recorded at 4.4850, suggesting a generally positive average perception among respondents regarding the influence of confidence levels on their participation in tourism-related businesses. A mean above 4 indicates that respondents, on average, consider confidence as a positive factor contributing to their engagement in entrepreneurial activities within the local tourism sector. This finding aligns with the notion that individuals with higher confidence levels are more likely to initiate and sustain entrepreneurial ventures.

The mean test results provide a nuanced understanding of the respondents' perceptions regarding the factors influencing their participation in tourism-related businesses in Kuala Terengganu. The positive mean values across all factors suggest that, on average, respondents view family, income, interest, opportunity, and confidence as factors that positively contribute to their entrepreneurial engagement in the local tourism sector. Policymakers and stakeholders can leverage these insights to tailor interventions and support mechanisms that capitalize on the perceived positive influences, fostering a conducive environment for sustained community participation in the vibrant tourism industry of Kuala Terengganu.

Table 7. Mean analysis

Variable	Mean	Std. Deviation	Mean Rank
Family	4.6088	0.36488	1
Income	4.5717	0.31495	2
Opportunity	4.5345	0.26517	3
Interest	4.5062	0.29649	4
Confidence	4.485	0.27878	5

5. Conclusions

To further enhance community participation in tourism-related business, the factors that serve as stimulants to the involvement are important to be noted. This is the objective of this study as well as to discover the level participation and most influential factors participation in tourism-related business. Based on the business profile in Kuala Terengganu, there are many males that operate business is influenced by one factor, namely family encouragement. These factors are also aided by income, confidence, interests and opportunities available in Kuala Terengganu. The significance of this study is to promote local business related to tourism. The Terengganu state government through the State Tourism Department has been planning and implementing several actions to transform the tourism industry to be competitive in a global market. The body of knowledge is also enriched by this investigation. Future scholars interested in the local community's involvement in tourism related businesses may find this investigative study to be a valuable source of scientific information. The information gleaned from this study can be use and can serve as the most recent source of information for future cruise researchers. The government also use this report as a source of reference. Ministries like MOTAC can add this study as a resource for tourism related business, and MOTAC can act independently by promoting this tourism-related industry widely in order for it to become the main source of national income and be able to support the addition of more research resources for Malaysian tourism related businesses.

The recommendations for future studies in Kuala Terengganu, focusing on local operators of small and medium-sized tourism-related businesses, carry significant implications for advancing research in the field. While the current study delves into five key factors influencing community participation, namely family, income, interest, opportunity, and confidence, there is an opportunity for more comprehensive research by expanding the scope to incorporate the 10 As of tourist destination development. The current study provides valuable insights into the specific factors that impact local entrepreneurs in the tourism sector in Kuala Terengganu. However, by transitioning to the 10 As framework for the next research, a broader and more holistic approach can be adopted. The 10 As encompass a range of dimensions, including attractions, accessibility, amenities, accommodation, activities, authenticity, ambience, advocacy, awareness, and alliances. Expanding the focus to these additional dimensions will offer a more comprehensive understanding of the factors shaping tourism-related businesses, incorporating elements beyond individual

motivations and perceptions. Furthermore, the expanded scope allows for a more in-depth exploration of the synergies and interdependencies among the different dimensions of destination development. Understanding how improvements in accessibility, for example, can positively influence accommodation or activity offerings can lead to more targeted interventions and policy recommendations. In addition, incorporating the 10 As framework may provide a platform for benchmarking and comparative analyses. By comparing the findings with other tourist destinations that have successfully implemented strategies across all 10 dimensions, Kuala Terengganu can gain valuable insights and potentially adapt best practices to enhance its tourism sector.

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