

TOURISTS' WILLINGNESS-TO-PAY FOR GEORGE TOWN, PENANG WORLD HERITAGE SITE CONSERVATION

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ABSTRACT

The purpose of this research is to study the benefits of cultural tourism to the stakeholders for preserving their cultural heritage and to show how these benefits can be captured as well as utilized to justify further investments in the conservation of the George Town, Penang World Heritage Site (GTWHS). The paper attempts to evaluate the tourists' attitude as well as responses towards the willingness-to-pay (WTP) value for GTWHS conservation. A total of 147 tourists at the George Town Conservation Zone area were interviewed in 2012. The questionnaire was developed based on the credible Contingent Valuation (CV) methodology. The results of the study have revealed that the attitude of the tourists was found to be positive on the importance of the non-use and their WTP value for the conservation of the world cultural heritage. The highest mean WTP value of the cultural heritage among the tourists was RM42.54 per visit and that a majority of 87% of the tourists have stated that they would be willing to pay for the GTWHS conservation. This positive attitude has contributed to a collective sense of responsibility for the World Heritage Site (WHS) and thus could enhance cultural and economic connections between the public, tourists and the heritage. The study has suggested that there should be dialogue, cooperation and collaboration among the various stakeholders involved. Good conservation of heritage site and proper professional management of tourists were found to enhance the benefits from tourism and thus reducing the social impacts on both the site and the host community.

Keywords: Tourist; Willingness-to-pay; Cultural heritage value; World Heritage Site; Conservation

1. INTRODUCTION

The listing of the two straits settlements of George Town and Melaka as protected World Heritage Sites (WHSs) has led to the development of the local cultural tourism industry that has been giving economic benefits not just to the local industry and its environments but also to Malaysia as a whole. In George Town, adaptive reuse of heritage building is encouraged to generate new life to buildings. Many of the shop houses now contain bars, restaurants and shops where local residents can directly benefit from the economical input of foreign visitors. Although tourists have been bringing much economic benefits to the host community, if not guided properly, tourism can have an adverse impact on the sites and their settings. Uncontrolled tourist development may also change the architectural character and the fabric of the historic town as well as threaten the identity of these two places as a tourism destination. Management of these cultural heritage sites has become an important issue as stakeholders have become more aware of the difficulties of the conservation and development of the sites while accommodating visitor needs and the interests of the host community (Vogt, 2008).

Well-managed tourism can bring much economic benefits to the host country such as by creating employment, helping local businesses and attracting investments to the WHSs as well as bringing extra financial support for the management of the WHSs. Tourism activities income needs to plough some of its profits back into the community and conservation. Therefore, it is vital to incorporate proper planning for sustainable tourism in order to support the conservation efforts especially in an urban heritage area where rapid development of the urban fabric has been found to devalue the WHSs. There

are several heritage sites implemented this sustainable tourism approach such as Hoi An, Vietnam and Gokayama Village, Japan. Based on the study by Kakiuchi (2004) and UNESCO (2009), have found that cultural tourism could help better understanding of culture by the tourists. In this way, more tourists could be attracted to come but the heritage would not suffer from resulting overuse.

In order to ensure the success of this sustainable development agenda, the local authorities have to engage the stakeholders in every step of the process so as to educate and invite them to participate in the preparation of, and hopefully to support the conservation activities to make them sustainable (Ibrahim, 2008). The sustainability of WHSs depends much on the attitude, the general level of the cultural knowledge and the awareness of the community as well as the tourists (Kamamba, 2003; Timothy & Boyd, 2003). The public preferences as measured by the willingness-to-pay (WTP) value of the tourists towards the proposed plan for the cultural heritage conservation should be given due serious consideration in decision-making in order to promote the sustainability of the heritage sites (Throsby, 2010).

According to Throsby (2010) and Tuan & Navrud (2008), there are growing recognition of the broader economic value of cultural goods as measured by their WTP value by academics, government policy makers and the tourism industry worldwide. But very few studies have been undertaken in Malaysia to estimate the economic value of the cultural goods for the social benefits across the whole nation. One of the studies was done by Chiam (2013) on the contingent valuation (CV) method for valuing Melaka living heritage. Most of the CV studies done by local researches were focused on the environmental and ecological economics studies (Samdin, 2010; Bann, 1999; Radam & Mansor, 2005; and Mulok, 2008) and yet no researches have been initiated on evaluation of the George Town World Heritage site (GTWHS) for their heritage conservation. Thus, the estimated WTP value can help to provide policy makers with an indication of the importance of the un-priced cultural heritage resources as a whole, in monetary terms. Despite the fact that these economic values can carry much benefit in many areas of life, but it has not yet been formally adopted as an important indicator for cultural tourism and heritage management in Malaysia.

In the context of George Town, there is no special tax levied on tourist destination for GTWHS conservation as compare to Melaka where they have heritage tax planned for Melaka heritage conservation activities. The Penang State Executive Councillor for Tourism Development, Danny Law Heng Kiang told the Penang Legislative Assembly that hotels in Penang have

agreed to the imposition of the tax. Therefore, effective from 1st June 2014, a mandatory city tax of MYR3.00 per person per night have been charged directly to the tourists and is to be paid upon checkout from the hotel. The income from this mandatory hotel tax will be used for a variety of uses for the improvement of the tourism in George Town. There is a need to have a special heritage tax or fund which is planned for GTWHS conservation activities. However, the numbers of the tourists' willingness-to-pay for GTWHS conservation have yet been studied. No studies have yet been found to provide advice on policy making through the use of the results and the ways that these benefits could be captured and used to improve the conditions of the WHSs in Malaysia. Finally, there is a specific need to evaluate the tourists' attitude and response towards their WTP value in order to contribute to a George Town Heritage Conservation Fund (GTHCF).

When formulating heritage development plans the authorities are financially able to make it physically; economically and socially acceptable as well as equally beneficial amongst the stakeholders in order to conserve and thus contribute towards the overall sustainable development of the GTWHS. Therefore, this study aims to evaluate the tourists' WTP value for the conservation of the GTWHS.

2. ECONOMIC VALUES OF A CULTURAL HERITAGE

Throughout the past two decades, the idea of economic values of cultural goods and services has drawn the attention of economists (Choi, Ritchie, Papandrea & Bennett, 2009; Ready & Navrud, 2002; Tuan & Navrud, 2008). The categories into which the value of heritage can be classified are well known and are clearly spelt out in the heritage economics literature (Carson, Mitchell, Conway & Navrud, 1997; Ready & Navrud, 2002; Tuan, Seenprachawong & Navrud, 2009). The two categories of economic values correspond to the ways in which stakeholders such as the tourists and/or the local community experience the heritage, that is either by direct consumption or 'use', or by indirect means through 'non-use' or as a beneficial externality. According to Navrud & Ready (2002), use value is defined as the maximum WTP to gain access to the site. However, a cultural heritage site might generate values even to those who do not visit the site. Non-use value includes benefits that people enjoy because they know the site is being preserved. These benefits might be motivated by a desire that the site be available for others to visits (altruistic values), that the site be preserved for future generations (bequest values), that the current non-visitor may decide to become a visitor in the future (option value), or simply that the site be preserved, even if no-one ever actually visits it (existence value).

It is found that a large proportion of values associated with cultural heritage sites have been non-use values rather than use values (Windle & Rolfe, 2002). The estimation of these non-use values tends to measure the intangible values which could not reflect the monetary gains. However, these non-use values can be measured by the WTP value of the tourists towards the proposed plan for the world cultural heritage conservation (Thorsby, 2010). The WTP evaluation is the economic approach used to measure the maximum amount a person would be willing to pay, sacrifice or exchange in order to receive a good (Tuan & Navrud, 2007). The Contingent Valuation or CV method is a directly stated preference technique whereby the respondents are asked their WTP value for the benefits received, or their willingness-to-accept (WTA) value compensation for their loss (Tuan, 2006; Tuan and Navrud, 2007; Tuan and Navrud, 2008; Tuan, Seenprachawong et al., 2009). Theoretically speaking, the CV methodology is based on welfare economics and the assumption of the stated WTP values which are related to the respondents' underlying preferences on the proposed management plan (Ready & Navrud, 2002).

In the context of this study, this economic valuation tool (the WTP) might be used to help policy makers and managers pertaining to three main areas, which are management, funding, and resource allocation of the GTWHS.

2.1 Management of a Cultural Heritage Site

This present economic valuation study may serve to reinforce decisions and policies with regards to assessing what type of changes, attractions, exhibitions or improvements that should be introduced in the world heritage cultural destination in order to maximize profits, revenue and access (Ready & Navrud, 2002). Moreover, this economic valuation study would be useful to design successful pricing strategies for cultural destinations: who pays what, when, and how (Avrami, Mason et al., 2000; Throsby, 2003; Provins, Pearce et al., 2008). Again, this economic evaluation research would be able to assess visitor preferences both before and after the visit experience and evaluate repeated visitors' experiences; gather information on how socio-economic characteristics (age, gender, membership, income, education, attitudes) explain visitation rates and spending patterns; identify groups that might be excluded from enjoying the cultural heritage at certain prices and certain prohibitive management policies; as well as evaluate the impact of the congestion-reduction options (Tuan and Navrud, 2008, Tuan and Navrud, 2007, Ready and Navrud, 2002).

2.2 Funding the Cultural Heritage

As far as the financing of the cultural heritage is concerned, this economic valuation study would be able to evaluate the existence and measure the tourists' WTP value for access, conservation, and improvements of the cultural heritage (Avrami, Mason et al., 2000; Nijkamp and Riganti, 2008). According to Kim, Wong and Cho (2007) and Mason (2002), an economic valuation can also be utilized to analyze pricing policies for the GTWHS cultural destination such as uniform pricing, interpersonal price discrimination, voluntary prices, inter-temporal price discrimination, etc. Besides that, it can be used to investigate how the prices that tourists are prepared to pay varying across different socio-economic groups (Tuan and Navrud, 2008; 2007; Ready and Navrud, 2002).

2.3 Resource Allocation

Regarding the macro process for the allocation of resources among WHSs, this economic valuation study can be used to assist a number of policy decisions, such as allocating funds between cultural heritage and other spheres of public spending (Cheng, 2006; Throsby, 2002). Public participation in the economic valuation study can also be used in gathering information of strategic policy importance about the level of public support (financial and nonfinancial) for the cultural heritage for the process of resource allocation (Francillon, 1975; Anh, 2001; Hajjalikhani, 2008). The results from this type of study can be used in measuring and ranking interventions in the cultural heritage, such as in deciding whether a given cultural asset is to be conserved and, if so, how and at what level. Finally, yet importantly, the economic valuation study can be applied in assessing which GTWHS within a city region or a cultural district are more worthy of investment, and for which the impacts are more significant.

As a final point, there is ample evidence found to show that this economic valuation study is useful in the planning and management of WHS conservation such as the GTWHS. Implementing all the research information not only will it create an efficient site management through an efficient pricing system, it will also contribute to the long-term sustainable development of the cultural heritage site conservation such as the GTWHS (Samdin, 2010).

3. THE IMPORTANCE OF STAKEHOLDER INVOLVEMENT IN VALUING A CULTURAL HERITAGE

“A stakeholder is characterized as any individual or group of individuals who are directly or indirectly impacted by an entity or a task” (Rukendi, Tirasatayapitak & Promsivapallop, 2010). Numerous researchers have found that any sustainable development programme of the WHSs must work in collaboration with stakeholders, or interested parties, including government agencies, conservation and other non-governmental organizations, developers and the local communities (Chhabra, 2010). In the context of GTWHS conservation, the stakeholders’ involvement must be included in any sustainable management of the heritage and tourism programmes in order to reduce conflicts (Mohammadi, Khalifah, & Hosseini, 2010). Although heritage or cultural tourism could provide economic advancement for many sites, it might also bring many kinds of dangers for the residents. So as to reduce these conflicts, there was a necessitate for mutual agreement, collaboration and partnership with a range of stakeholders concerned.

Many stakeholders with varying interests have been identified in cultural tourism and heritage site management. The most commonly cited stakeholders include the local communities, tourists, government/public sector and industry/private sector (Hajjalikhani, 2008; Nicholas, Thapa, & Ko, 2009). Their participation in the planning and management process is important as a means to improve bilateral communication in order obtain wider community support, gather useful information and ideas, enhance public sector or corporate reputation, and provide for more sustainable decision-making (Engelhardt, 1997). According to Baral, Stem and Bhattarai (2008), long experience in World Heritage tourism management has shown that projects with limited local input were found to be less productive and ultimately more expensive. Through dialogues and collaboration, WHS management has been found to synchronize with the various stakeholders’ views regarding heritage and tourism issues as well as with the proactive actions that could have an impact on the WHS (Baral et al., 2008).

4. MEASUREMENT

The questionnaire used for this survey was developed based on the Contingent Valuation (CV) methodology. The CV methodology is one of the stated preferences approach usually used to elicit the maximum WTP value for non-marketed goods (Mitchell, & Carson 1989). The CV elicits the maximum

WTP value of individual respondent in order to obtain improvement or avoid damages of the goods and services in a hypothetical market (Khee, Hoong & Ying, 2009). According to Mourato and Mazzanti (2002), this method is the best tested technique used to estimate the non-use value of cultural resources that are not traded in the market.

The respondents were chosen from the tourists (domestic and foreigner) who have paid a visit to George Town. The tourist respondents were randomly selected at George Town Conservation Zone area. The main survey was carried out over ten (10) days during February 2012. A total of 160 tourists were interviewed. There were 13 non-response returned interview questionnaires. However the number of interviews completed was therefore 147. The response rate of the questionnaire was very good by achieving an overall response of 91.88%. This achievement was due to the direct approaches taken by the researcher with the respondents and enough time spent with them during the answering sessions. Thus, the high number of responses received was adequate to generalize the views and perceptions as well as the WTP value of the tourists visiting the cultural heritage of GTWHS.

5. RESULTS AND DISCUSSION

A number of variables relating to respondents awareness and attitude were evaluated. The opening variable was the respondents’ attitude towards the UNESCO WHS status, attitude towards cultural tourism, importance of preserving the non-use value of the cultural heritage and the cultural heritage conservation management in GTWHS. In general, the mean age category of the tourist as a whole ranged from 41 to 50 years old and had received degree level of education (66%) with moderate to high monthly income. Results from the survey revealed that the mean income of the foreign tourist respondents were USD3001 to USD4500 per month.

5.1 Attitude towards the UNESCO WHS Status

From the statistics of the study in Table 1, the level of attitude towards the UNESCO WHS status of the tourists was found to be at a moderate level with the total mean value of 3.93. The UNESCO WHS status have played important role in protecting the identity of the local cultural heritage for future generations and have recognized the local cultural heritage as having international importance as illustrated by the mean value of 4.16 and 4.12 respectively. The study also found that the UNESCO WHS status was not the key reason why the tourists came to visit George Town, Penang. The results

show that the tourists have indicated a moderate attitude by the mean value of 3.71 towards the statement that the status has triggered their interest to visit George Town, Penang. As established in Table 1, the study has revealed that the attitude of foreign tourists who came to visit GTWHS has recognized our cultural heritage as having international importance. This recognition has shown the status did not affect the foreign tourists desire to visit GTWHS so therefore the cultural heritage itself is an attraction to visitors.

Table 1. Descriptive Statistics on the Attitude towards the UNESCO WHS Status

| Variables | Descriptive Statistics | |
|--|------------------------|-------|
| | Mean | SD |
| The UNESCO WHS status has shown that our cultural heritage has been recognized as having international importance. | 4.12 | 0.584 |
| The UNESCO WHS status is important to continue the traditions of this community | 4.14 | 0.682 |
| The UNESCO WHS status has played an important role in protecting the identity of the local cultural heritage for future generations. | 4.16 | 0.722 |
| The UNESCO WHS status has played an important role in attracting more visitors to George Town. | 3.71 | 0.945 |
| The UNESCO WHS status has improved cultural exchanges between the local community and tourists. | 3.82 | 0.712 |
| The UNESCO WHS status has triggered your interest in the volunteer programmes of heritage site conservation in George Town. | 3.73 | 0.871 |
| The UNESCO WHS status has increased your awareness and knowledge of the significance of George Town as a UNESCO WHS. | 3.84 | 0.774 |
| Number of respondents (Valid N (listwise)) | 147 | |

Legend: Low = 1.00-2.99; Moderate = 3.00-3.99 and High = 4.00-5.00 (Tourist m = 3.93)

In fact the WHS status could only give a moderate impact to the tourists' awareness and knowledge of the significance of George Town as a WHS (mean value 3.84). This result can be interpreted to be that the tourists were moderately interested in contributing as well as participating in the GTWHS conservation. The tourists also partially agreed that the status has improved cultural exchanges between the local communities and the visitors (mean value 3.82).

5.2 Attitude towards the Cultural Tourism and its Benefits for the WHS Conservation

From the statistics of the study in Table 2, overall, the attitude of the tourists towards the cultural tourism and its benefits for the WHS conservation was found to be at a moderate level with a total mean value of 3.69. Various variables were found to obtain high levels of the tourists' attitude towards the cultural tourism and its benefit for conservation. For example, with the mean value of 4.01, the tourists have stated that the economic values of the cultural

Table 2. Descriptive Statistics on the Attitude towards the Cultural Tourism and Its Benefits for the WHS Conservation

| Variables | Descriptive Statistics | |
|---|------------------------|-------|
| | Mean | SD |
| The economic values of the cultural heritage in George Town are increased because of this cultural tourism. | 4.01 | 0.614 |
| The arrival of tourists has granted economic benefits to the local community in preserving the value of the cultural heritage in George Town. | 3.97 | 0.806 |
| The WHS status has encouraged me to spend more money to recognize the value of the cultural heritage in George Town. | 3.29 | 0.938 |
| The cultural tourism industry can play an important role in building a sustainable economy for George Town. | 3.95 | 0.68 |
| The cost of my trip to this WHS is expensive/high | 2.97 | 1.167 |
| I am happy and proud to see what the local community has to offer. | 4.15 | 0.779 |
| Meeting the local community is a valuable experience for me | 4.12 | 0.71 |
| The cultural tourism has encouraged a variety of cultural activities by the local community. | 3.90 | 0.67 |
| The cultural tourism has helped to preserve the cultural identity of the local community | 3.93 | 0.722 |
| The cultural tourism has disturbed the daily privacy in this WHS. | 2.95 | 1.103 |
| The cultural tourism development has improved the appearance of George Town | 3.82 | 0.747 |
| The cultural tourism has provided an incentive for the local cultural heritage restoration programme. | 3.66 | 0.745 |
| The tourism development has resulted in crowded public places, traffic congestion, air and noise pollution. | 3.17 | 1.119 |
| Do you feel that you have experienced the authenticity of the cultural heritage here in this WHS | 3.78 | 0.736 |
| Number of respondents | 147 | |

Legend: Low = 1.00-2.99; Moderate = 3.00-3.99 and High = 4.00-5.00 (Tourist m = 3.69)

heritage of GTWHS were found to be increasing because of this cultural tourism while the tourists strongly agreed that meeting the local community was a valuable experience (4.12). Moreover, the tourists were happy and proud to see what the local community has had to offer (4.15). The tourists have stated that the cultural tourism had encouraged the locals to foster a variety of cultural activities (mean value 3.90). They also agreed that their arrivals have granted economic benefits to the local community by preserving the values of the cultural heritage in George Town, Penang (mean value 3.97).

In addition, the study has found that the tourists have moderately agreed that the cultural tourism had provided an incentive for the local cultural heritage restoration programme (mean value 3.66) and thus this result can indicate that the tourism had created more job opportunities for the locals. A small number of the tourists have stated that the cost of their visit to GTWHS was not expensive when compared to visiting other historical sites (mean value 2.97) such as the Al-Dier Monastery of Petra in Jordan, the Taj Mahal palace (Mumbai), the Machu Pichu in Peru and the Grand Canyon National Park in Arizona, USA. Many tourists have assured that the UNESCO WHS status has encouraged them to spend more money in order to recognize the value of the cultural heritage in George Town (mean value 3.29). Most of them spend their money through the appreciation of local culture such as food, buy local produce and craftsmanship.

Even though cultural tourism was found to bring lots of benefits to the locals, the tourists have also stated that this cultural tourism activity has affected many changes in building use. The study also found that the tourists have agreed that they have caused Penang to experience crowded public spaces, traffic congestion, air and noise pollution because of the WHS. The tourists were found to state that tourism had affected the privacy of the daily living of the local community and has had an undesirable effect on the local way of life. The results of the study have found that the tourists have had a sympathetic attitude for the local residents of the WHS although at the same time they were willing to pay for the conservation of the WHS.

5.3 Views on the Importance of the Non-Use Value of Preserving the Cultural Heritage

From the statistic of the study in Table 3, the total mean value of the importance of the non-use value of preserving the GTWHS for the tourists was found to be a high of the mean value of 4.14. The tourists have indicated that the importance of assessing the non-use value was highly significant. All items in this variable were found to be high. The study found that it was important to do conservation of the GTWHS so as to conserve the uniqueness of the cultural heritage (mean value 4.18). Next they found that it was important to do conservation of GTWHS so that the tourists would assess and appreciate the values and significance of the cultural heritage in the future (mean value 4.12) The tourists also thought that it was important to do conservation of the GTWHS as it would strengthen the identity of this historic town (mean value 4.10).

In conclusion, the study found that the most important benefit when assessing the non-use value of the WHS could contribute to the cultural, historic and place significant of the WHS could be that it would contribute to the cultural, historic and significance of the WHS for the benefit of the tourists.

5.4 Use of the Goods

A section of the questionnaire has elicited information on the current use of the cultural heritage in the GTWHS. This information has provided a better understanding of the tourists' profile, and can also be used to explain the WTP responses. From the statistic of the study in Table 4, the tourists' main purpose of visiting George Town was for a holiday (52.3%). The study also found that the 55% of the tourists who participated in this research had never visited George Town before. Most of the tourists (59%) were satisfied with visiting George Town.

About 72% of the 147 tourists have stated that they would visit George Town again in the next 5 years because when asked whether they thought that the GTWHS had been successful heritage, majority of the tourists (55%) agreed with the statement while 22.4% were found to be strongly agreeing. The tourists thought that the best aspect of their visit was to see the unique architecture of the heritage buildings in George Town. While recreational and shopping was ranked second best with multi-cultural living environment as the third best among the tourists. In conclusion, the study found that most tourists were satisfied with their stay at the GTWHS although they had never been there before and what was important was that there was indicated that there would be repeated visitors by the tourists to the GTWHS.

Table 3. Descriptive Statistics on the Views of the Tourists towards the Importance of the Non-Use Value of Preserving the Cultural Heritage

| Variables | Descriptive Statistics | |
|--|------------------------|-------|
| | Mean | SD |
| It is important to do conservation of the George Town WHS so that me or my family can continuously benefit in the future. | 4.160 | 0.731 |
| It is important to do conservation of the George Town WHS so that outsider can assess and appreciate the values and significance of the cultural heritage in the future. | 4.120 | 0.736 |
| It is important to do conservation of the George Town WHS so as to conserve the uniqueness of our cultural heritage. | 4.180 | 0.662 |
| It is important to do conservation of the George Town WHS as it would strengthen the identity of this historic town. | 4.100 | 0.670 |
| It is important to do conservation of the George Town WHS as it would contribute to the cultural and history's significance of the place. | 4.050 | 0.809 |
| It is not important to do conservation in the George Town WHS as it would give us the opportunity to enjoy the life of this town generations. | 4.250 | 0.741 |
| Number of respondents | 147 | |

5.5 The Contingent Valuation Results

The tourist respondents were asked their WTP value towards the establishment of the George Town Penang Heritage Conservation Fund (GTHCF) in order for the implementation of the new management plan which could ensure that the cultural heritage of George Town was protected. The study found that the most preferred method of contributing money to the GTHCF was through the conservation zone entry ticket (30.6%) or the heritage building admission fee (29.3%) with 25.2% tourists agreeing to pay airport tax and 10.2% hotel service tax as means of contribute to the GTHCF.

The study also applied a referendum followed by a double-bounded dichotomous choice (DBDC) approach to the survey. The dichotomous choice (DC) format was adopted in order to extract bids (prices) for the WTP value of the resources. The DBDC approach would supplement the initial DC question with a follow-up question. Overall, it was found that 128 of the 147 tourists reported a positive WTP value for the GTHCF. From the statistic of the study in Table 6, 87% of the tourists were willing to pay for the GTHCF. However, only 13% of them did not prefer to pay for it. The study also found that the majority of the tourists (24.5%) have stated their first WTP value was RM10.00 per visit. With a minimum of zero and maximum of RM500.00, however the mean WTP value for the tourists was found to be RM33.87.

Table 8 show the results of the bid questions show the preferred price to pay by the tourists. These three bid values were derived from the results of the first WTP value (Table 6). Based on these bid questions, at first, all respondents stated zero WTP but later on changed their preference when they were offered

Table 4. Use of the Goods in George Town WHS

| Variables | Tourists | |
|----------------------------------|-------------|--------------|
| | (N) | (%) |
| Purpose of Visit | | |
| Visit friend and relatives | 12 | 8.2 |
| Holiday | 77 | 52.3 |
| Business | 12 | 8.2 |
| Cultural heritage | 25 | 17.0 |
| Shopping | 2 | 1.4 |
| Medical | 13 | 8.8 |
| Others | 6 | 4.1 |
| Total | 147 | 100.0 |
| Visit Before | | |
| No | 81 | 55.1 |
| Yes | 66 | 44.9 |
| Total | 147 | 100.0 |
| Satisfaction | | |
| Strongly not satisfied | 3 | 2.041 |
| Not satisfied | 2 | 1.361 |
| Partially satisfied | 19 | 12.925 |
| Satisfied | 87 | 59.184 |
| Strongly satisfied | 36 | 24.489 |
| Total | 147 | 100.0 |
| Successful heritage | | |
| Strongly not agree | 2 | 1.4 |
| Not agree | 4 | 2.7 |
| Partially agree | 27 | 18.4 |
| Agree | 81 | 55.1 |
| Strongly agree | 33 | 22.4 |
| Total | 147 | 100.0 |
| Future trip | | |
| No | 41 | 27.9 |
| Yes | 106 | 72.1 |
| Total | 147 | 100.0 |
| Best aspect for tourist | | |
| | Mean | Rank |
| Architecture | 2.04 | 1 |
| Historical and background | | |
| Recreational and shopping | 2.01 | 2 |
| Multicultural living environment | 1.98 | 3 |
| Infra, local food and shelter | | |
| Others | | |

options with several bid prices. The study found that the majority of the tourists (106) had chosen the second bid price of RM10.00 per visit to pay for the GTHCF. From 128 of the 147 tourist respondents for the WTP question, 86 of the tourists were willing to pay RM15.00 per visit when offered the first bid. For the third bid price, a mere 20 of the tourist respondents were willing to pay RM20.00 per visit for the GTHCF. Thus, the study found that the most preferred price to pay among the majority of the tourist respondents was RM10.00 per visit to the GTHCF.

The tourists were also asked to provide the highest amount of the WTP value they were willing to pay. From the statistic of the study in Table 9, the next highest amount of the WTP value, 24.49% of the tourists were willing to pay RM20.00 per visit for the GTHCF. The highest mean WTP value among the tourists was found to be RM42.54 per visit. Overall, after discounting the 19 tourists (12.9%) who indicated zero value, there were as many as 128 or 87% of the tourists who stated that they would be willing to pay for the GTHCF.

Table 5. Payment Vehicles

| Variables | Tourists | |
|---------------------------------|------------|--------------|
| | (N) | (%) |
| Airport tax | 37 | 25.2 |
| Hotel service tax | 15 | 10.2 |
| Heritage building admission fee | 43 | 29.3 |
| Conservation zone entry ticket | 45 | 30.6 |
| Others | 7 | 4.7 |
| <i>Total</i> | <i>147</i> | <i>100.0</i> |

Table 6. The 1st WTP Value

| Variables | Tourists | |
|--------------|------------|--------------|
| | (N) | (%) |
| RM 0.00 | 19 | 12.9 |
| RM 1.00 | 1 | 0.7 |
| RM 2.00 | 4 | 2.7 |
| RM 3.00 | 1 | 0.7 |
| RM 5.00 | 14 | 9.5 |
| RM 10.00 | 36 | 24.5 |
| RM 15.00 | 9 | 6.1 |
| RM 20.00 | 26 | 17.7 |
| RM 22.00 | 1 | 0.7 |
| RM 25.00 | 2 | 1.4 |
| RM 30.00 | 8 | 5.4 |
| RM 50.00 | 14 | 9.5 |
| RM 70.00 | 1 | 0.7 |
| RM 100.00 | 5 | 3.4 |
| RM 200.00 | 1 | 0.7 |
| RM 300.00 | 2 | 1.4 |
| RM 500.00 | 3 | 2.0 |
| <i>Total</i> | <i>147</i> | <i>100.0</i> |

Table 7. Descriptive Statistics for 1st WTP Value

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-------------------------|-----|---------|---------|-------|----------------|
| 1st WTP value (TOURIST) | 147 | 0 | 500 | 33.87 | 79.23 |
| Valid N (listwise) | 147 | | | | |

Table 8. The Preferred Price to Pay among the Tourist Respondents

| | Bids (RM) | Tourists |
|---------------------|--------------------|----------|
| | | (N) |
| 1 st Bid | RM 15.00/per visit | 86 |
| 2 nd Bid | RM 10.00/per visit | 106 |
| 3 rd Bid | RM 20.00/per visit | 20 |

Table 9. The Highest WTP Value

| Variables | Tourists | |
|-----------|----------|-------|
| | (N) | (%) |
| RM 0.00 | 19 | 12.93 |
| RM 1.00 | 1 | 0.68 |
| RM 2.00 | 10 | 6.80 |
| RM 3.00 | 13 | 8.84 |
| RM 15.00 | 15 | 10.20 |
| RM 20.00 | 36 | 24.49 |
| RM 22.00 | 1 | 0.68 |
| RM 25.00 | 4 | 2.72 |
| RM 30.00 | 15 | 10.20 |
| RM 50.00 | 23 | 15.65 |
| RM 100.00 | 3 | 2.041 |
| RM 150.00 | 1 | 0.680 |
| RM 200.00 | 1 | 0.680 |
| RM 300.00 | 1 | 0.680 |
| RM 500.00 | 3 | 2.040 |
| RM1000.00 | 1 | 0.680 |
| Total | 147 | 100.0 |

Table 10. Descriptive Statistics for the Highest WTP Value

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----------------------|-----|---------|---------|-------|----------------|
| Highest WTP (TOURIST) | 147 | \$.00 | \$1000 | 42.54 | 109.43 |
| Valid N (listwise) | 147 | | | | |

In conclusion, the study found that the majority of the tourists who visited the GTWHS voluntarily were willing to pay a preferred price of RM10.00 per visit but their highest WTP value was RM20.00 per visit. However, the total mean value for first WTP value was RM33.87 per visit and the total mean value for the highest WTP value was RM42.54 was also recorded to show that

the tourists were willing to pay for the GTHCF. This evaluation was carried out in order to investigate how the prices that tourists were proposed to pay varies across different socio-economic groups.

To find out the reasons for this positive WTP value, the tourists who gave 'yes' responses in the CV question were also asked to state their reasons why they wanted to contribute to the GTHCF. The results in Table 11 could confirm the importance of the indirect use values. The first ranked reasons selected among the tourists were 'for society as a whole'. The next cited reason for the WTP value was 'for remembering historic events of the nation', the third ranked was 'as a contribution to manage a sustainable historic cultural tourism area' and lastly 'as one of the proposed plan for a sustainable historic landscape. However, the direct use values of 'for my own benefit' and 'for my future generations were not considered by the tourists.

Those tourists who were not willing to pay (no-response) in the survey were also asked for the reasons why they came to this conclusion. From the statistic of the study in Table 12, the highest cited reason for them not willing to pay was 'I think it is the government's responsibility'. The second highest cited reason was 'I believe that we cannot place a monetary value on cultural heritage', followed by 'I have no spare income, otherwise I would contribute' and the last reason was 'I do not believe paying will solve the problem'. In conclusion, the tourists thought that the conservation of the GTWHS was not their responsibility and that they could not place a monetary value on the cultural heritage. They did not believe that paying to the conservation fund would solve the problem of the conserving the GTWHS.

Table 11. Reasons for Tourists' WTP Value

| Variables | Tourists | |
|--|----------|------|
| | Mean | Rank |
| For my own benefit | | |
| For society as a whole | 2.36 | 1 |
| For future generations | | |
| For remembering historic events of the nation | 2.09 | 2 |
| As one of the proposed plan for a sustainable historic landscape | 1.87 | 4 |
| As a contribution to manage a sustainable historic cultural tourism area | 1.94 | 3 |

Table 12. Reasons for Tourists' Zero WTP Value

| Variables | Tourists | |
|---|----------|------|
| | Mean | Rank |
| I have no spare income, otherwise I would contribute | 2.20 | 3 |
| I feel the restoration of this historic place is unimportant | | |
| I do not believe paving will solve the problem | 2.10 | 4 |
| I think it is the government's responsibility | 2.21 | 1 |
| I would rather have the current situation than pay | | |
| I feel that the users should pay | | |
| I believe that this improvement will take place without my contribution | | |
| I believe that we cannot place a monetary value on a cultural heritage | 2.20 | 2 |

6. CONCLUSIONS

In summary, this research study has revealed a high appreciation of the non-use value of the GTWHS by the tourists. This can be perceived as a result of the attitude of the tourists in valuing the GTWHS. The highest ranked reason for paying for conservation was found to be for society as a whole. The study also found that there was an importance of preserving the non-use value of the cultural heritage in George Town, Penang since it was for the pride of the nation. The tourists have also expressed their strong and deep feelings towards the GTWHS conservation by willing to pay a contribution to manage a sustainable historic cultural tourism area. They believed that preserving this non-use value of the GTWHS could benefit future generations, strengthen identity and contribute to the cultural, historic and significance of the area for tourism. The study was able to discover and explain the visitation rates and spending patterns; to assess visitor preferences both before and after the visit experience; and to evaluate repeated visitors experiences. The study has found that the highest WTP value of the tourists was RM42.54 per visit. It might not be an adequate amount of money in order to support the whole conservation costs of the GTWHS, but it should be sufficient to support and engage stakeholders in encouraging conservation for the purpose of tourism. As a result, this tourist willing to pay attitude could lead to sustainable financial resources and could ensure that monies collected could be managed for the benefit of the GTWHS and the various communities. However, this study is only relevant if the proposed mechanism can be put in place with full support from the government and private organizations in managing the funds collected in order to capture the priceless value of the cultural heritage.

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