

## CHAPTER V CONCLUSION AND RECOMMENDATION

### 5.1 Conclusion

The aim of this thesis is to analyze the determinants of the effect of tourism destination to the welfare of micro business near the area by using Structural Equation Model (SEM) with the tools of application from Partial Least Square (PLS).

From the result that showed by SEM by using PLS application the authors conclude that Tourism Destination is proven empirically have significantly influence the Welfare of Micro Business in tourism destination area. This consolidates tourism development theory that tourism brings positive impact to the local economy in general and entrepreneurial development in particular and the government region of tourism it self. The micro business welfare in tourism area with taking sample from Padang beach and Gandoriah beach based on this research are significantly affected by the tourism destination area. There are some indicators that influence the welfare of the micro business in this study, such as Environment with their external and internal factor that on this part including the government interfection as the regulator maker that direct or indirectly can also influence the performance of the micro business. Entrepreneurial Behavior of the micro business that actually also influence the Welfare of micro business, that can be achieved by used some innovation and creative idea to the business in order to increase the performance of the business that will also help business to get high income so,

than achieved the business welfare. This two indicators on this study is proved having relationship to the welfare but the number of relationship result is not significant because there are some factor that not support the performance of this two indicator. The good management and interesting tourism area will create the high number of the visitor to come so than government and local people should work together in order to help improved the tourism destination on the region. Because there is a lot of economic benefit that create by this sector.

## **5.2 Recommendation**

Tourism as the sector that influence the economic growth of the nation and region such us increase the number of employment and welfare to the micro business along the tourism area. In the research also prove that tourism is significantly effect the welfare of the micro business so then the management of tourism area should be more improve or develop. Develop tourism give so much benefit through the local community and even the economic of the region. The government as a regulation maker should be more focus in mangle the tourism in order to help the micro business and the regional income of the tourism area to be increase. There is so much potential and profit that coming from tourism sector. That's why government need to improve the development of the tourism destination and also government should focus in and care about the welfare of micro business in the tourism area like make a regulation that support their business activities.

For the future researcher or student that have the same scope of the study, this study can be used as reference material and was advised to try using another methods and variable or more variables used, as in the region development, government data base, and other analysis policy to compare with this study. Despite the case, future studies also should look in to different impact of each foreign and local tourism on the micro business welfare. Because this study still has the limitation so than this study still need some improvement such as increase the scope of the research.

