

The real success of resorts world sentosa tourism essay



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The tourism industry is very important in today's economy. Many countries use the tourist industry to gain benefits from the generation of income and the creation of jobs. Resorts World Sentosa is an Integrated Resort in Singapore that features two main attractions, Universal Studios Singapore and Resorts World Sentosa Casino. Both Universal Studios Singapore and Resorts World Sentosa Casino is located in Resorts World Sentosa. Universal Studios Singapore is a theme park and is the second Universal Studios theme park to open in Asia. The Resorts World Sentosa Casino not only offers a wide range of table games, slots and electronic games but it is also a casino where you can see glass sculptures, eat Singapore delights, and watch entertaining shows.

The reason for this choice of research is mainly due to the fact that theme park and purpose-built resorts have become a huge part of the tourism industry. Both theme parks and casinos bring in lots of benefits to the country or city. With the benefits it brings, problems come along with them. Therefore, the point of this research was to find out and determine which type of attraction is more beneficial to the country.

When the Singaporean government had the idea to build an Integrated Resort, they decided that a theme park was needed in Resorts World Sentosa to draw the idea of Singapore having a casino away from the Singaporean minds. Is the real success of Resorts World Sentosa due to Universal Studios Singapore or due to Resorts World Sentosa Casino? The factors that would be discussed in this essay are the economy, unemployment rate, the shopping in Resorts World Sentosa, the amount of revenue generated, the change in gambling rate and crime rate, and the <https://assignbuster.com/the-real-success-of-resorts-world-sentosa-tourism-essay/>

popularity of the two attractions. These factors would help us in determining if the casino was built to compliment the theme park or if the theme park was built to compliment the casino.

(322 words)

Content Page

Abstract	Page 2
Introduction	Page 4
Economy	Page 7
Unemployment Rate	Page 8
Retail.....	Page 10
Revenue	Page 13
Gambling Rate	Page 14
Crime Rate	Page 16
Popularity	Page 18
Conclusion	Page 26
Bibliography	Page 27

Introduction

Tourism. The act of travel for the purpose of recreation, and the provision of services for this act. This is the definition of tourism.[1]There are many

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different types of tourism such as ecotourism and wildlife tourism. In this essay, we will be talking about theme park and purpose-built resort based tourism. Theme parks and purpose-built resorts have become a very huge part of the tourism industry in the last two to three decades. These purpose-built resorts have both positive and negative impacts to the area, city, or country that the resort is located at. In this essay, we will be discussing whether the real success of Resorts World Sentosa is due to Universal Studios Singapore or due to Resorts World Sentosa Casino in Singapore.

Tourism is extremely important in today's economy. Many countries use the tourist industry to help their economy. The main benefits of tourism are the creation of income and the generation of jobs. For many countries and cities it is one, if not the most important source of welfare. The ability of that particular countries' economy to benefit from the tourist industry also depends on the availability of capital to develop the necessary infrastructure and also on its ability to attract and to fulfill the needs of tourists.

Cities around the world try to keep and increase tourism numbers everyday by coming up with new ideas and attractions to attract tourists to that particular city. In the case of Singapore, it started to hold the Singapore F1 night race and it is the first country to hold a F1 night race.[2] Another example is the Singapore Youth Olympics. The Singapore Youth Olympics is the first Summer Youth Olympics.

Universal Studios Singapore is a theme park located within Resorts World Sentosa on Sentosa Island, Singapore. Universal Studios Singapore is the second Universal Studios Theme Park to open in Asia and the first to open in

Southeast Asia. Universal Studios Singapore was opened on 18 March 2010 although it has not yet been completely finished.[3] There are a total of 24 attractions, and 18 of these attractions are original or adapted specifically to this theme park.[4] The theme park consists of seven different themed zones where each zone is based on a blockbuster movie or television show featuring their own unique attractions, characters, and shopping areas.

The Resorts World Sentosa Casino is located in Resorts World Sentosa. The casino not only offers a wide range of table games, slots and electronic games but it also offers more than just gaming. Resorts World Sentosa Casino is a casino where you can see magnificent glass sculptures, savour some of Singapore's best food delights, and be able to watch top-class shows. There are government regulations that require Singapore citizens and Permanent Residents to purchase a S\$100 day pass or \$2000 yearly membership to access the casino.[7]

In 2005, the Singapore government already had an idea of developing casino gambling. At that time, the government introduced the concept of the Integrated Resorts hoping to appeal to more tourists to visit the country by broadening its attractions. One of the factors that the Singapore government took into consideration was that the casino was expected to contribute to Singapore's gross domestic product which would then help Singapore to diversify and boost its economy. The government by introducing the idea of Integrated Resort was to take the idea of having a casino in Singapore away from the minds of Singaporeans as gambling was seen to be taboo in Singapore. So instead, the Singapore government called Resorts World

Sentosa an Integrated Resort in the hopes of drawing attention to what was <https://assignbuster.com/the-real-success-of-resorts-world-sentosa-tourism-essay/>

more than a casino, and therefore Universal Studios was built. Resorts World Sentosa then became appealing to families as well as gamblers and this enlarged the target market for them.[8]

Economy

Tourism is a major industry in Singapore. It contributes a big part to the Singaporean economy. In 2009, Singapore received a total of 9.7 million arrivals[9], compared to in 2010, when Singapore received a total of 11.6 million visitor arrivals[10]. Singapore tourism receipts in 2009 was S\$12.8 billion[11] compared to S\$18.8 billion[12] worth of Singapore tourism receipts in 2010. In 2010, hotel accommodation revenue amounted to S\$1.9 billion[13] which was a 21.8% increase against 2009's S\$1.6 billion[14] received from hotel accommodation revenue. These increase in percentages could have been an impact of the opening of Resorts World Sentosa.

Figure 1. 1 Showing Tourism Statistics In 2009 And 2010

The construction and opening of Resorts World Sentosa has brought in many economic benefits. According to Figure 1. 1, the opening of Resorts World Sentosa has caused tourism arrivals to increase by 19.58%, has caused tourism receipts to increase by 46.87% and has caused hotel accommodation revenue to increase by 21.80%. These percentage increases may not all be from the opening of Resorts World Sentosa but it definitely made an impact in the tourism industry when it comes to these increase in percentages.

Unemployment Rate

Resorts World Sentosa has also brought in an increase in employment rate. The opening of Resorts World Sentosa has created many jobs ranging from construction workers to senior technicians.[15]

Figure 1. 2 Showing Singapore's Unemployment Rate From January 2009 to January 2011[16]

From Figure 1. 2 showing Singapore's unemployment rate from January 2009 to January 2011 we can see that in January 2009 Singapore's unemployment rate was 3. 2% and in January 2010, it decreased and the unemployment rate was 2. 3%. It then decreased again to 2. 2% around March 2010 and April 2010 during the period when Universal Studios Singapore just opened.

Figure 1. 3 Showing Singapore's Unemployment Rate From October 2009 to July 2010[17]

Lim Boon Heng, a Singaporean politician and ex-Cabinet Minister said " For me it was a very difficult process to accept the casino. I almost couldn't make my speech in parliament." He followed by saying that the IR has brought economic benefits but also has social ills. " At the time it was decided, it was particularly difficult because unemployment was high. But today, the question is what kind of social problems will there be, it's too early to tell." [18]

According to [www. asiaone. com](http://www.asiaone.com) in 2009, Resorts World Sentosa was offering 45, 000 jobs to the local population. The resorts assistant director of communications, Robin Goh said that this would help boost the economic

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situation in the region. He also mentioned that certain jobs with specific expertise would also be offered to international employees as most Singaporeans have little or no experience in the casino or theme park tourist industry.[19]Not only were 45, 000 available but as of 2011, 75% of the workers who work in Resorts World Sentosa are Singaporeans or Permanent Residents.[20]We can then say that the opening of Resorts World Sentosa has had a positive impact on the unemployment rate. It has benefited the local population as it has created jobs for them. The jobs have not only been in the construction industry which are usually given to foreign workers but jobs such as gaming analyst and casino accountant have been offered to the local population.

Retail

Resorts World Sentosa also encourages shopping. In Resorts World Sentosa, there are many different shops ranging from fashion to specialised food.

Figure 2. 1 Showing The Type Of Shops In Resorts World Sentosa[21]

From Figure 2. 1 we can see that there is a very big range of different type of shops.

Figure 2. 2 Showing If The Shops Can Be Found Outside Resorts World Sentosa

We can see from Figure 2. 2 that out of these 41 shops, 21 shops cannot be found anywhere else in Singapore and are unique only to Resorts World Sentosa.

Figure 2. 3 Showing The Reason Why The Shops Were Built.[22]

From Figure 2. 3, we can see that out of the 21 shops that are unique to only Resorts World Sentosa, 11 of those shops were built more specifically because of Universal Studios Sentosa. The term built specifically means that these shops sell products that have a linked theme to Universal Studios Sentosa such as ' Universal Studios Store' or ' Galactica PX' which sells Universal Studios themed collectibles and toys and Battlestar Galactica collectibles respectively. From this we can say that Universal Studios has a direct impact on the tourism industry in Singapore as these 11 shops opened specifically due to the opening of Universal Studios Singapore. We can also say that the remaining 10 shops that were built in Resorts World Sentosa for general reasons are not directly linked to Universal Studios Singapore because they do not sell products that are themed to the theme park but it helps encourage tourists to shop at these shops because those particular shops can only be found in Resorts World Singapore and not anywhere else in Singapore.

There are also 4 types of services which are categorized under ' Banks & ATMs' This is due to the fact that Resorts World Sentosa Casino is very close by and by having these Banks & ATMs, it is very convenient for the gamblers to draw money. From this you can see that there is a multiplier effect being caused by Resorts World Sentosa. When Resorts World Sentosa is built, Resorts World Sentosa Casino is built followed by Universal Studios Singapore and the Universal Studios theme related shops. Other shops and services become available; jobs are also then created, increasing taxes thus

increasing the government's expenditure which can be used for other needy areas of the economy.

Revenue

Website

1st Quarter Revenue – 2010

2nd Quarter Revenue – 2010

3rd Quarter Revenue – 2010

4th Quarter Revenue – 2010

Average Daily Revenue – 2010

Resorts World Sentosa Casino

www. taipeitimes. com

S\$1. 9 billion[23]

–

–

S\$10. 6 million

www. business. asiaone. com

S\$2. 75 billion[24]

S\$7. 63 million

www. seekingalpha. com

—

—

—

S\$498. 4 million[25]

S\$5. 54 million

www. asiaone. com

—

S\$860. 8 million[26]

—

—

S\$9. 56 million

Total Average Daily Revenue - 2010

S\$8. 33 million

Universal Studios Singapore

www. seekingalpha. com

—

—

—

S\$124. 6 million[27]

S\$1. 38 million

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Figure 3. 1 Showing The Different Revenues That Different Websites Stated

Resorts World Sentosa declined to disclose the specific revenue numbers for Resorts World Sentosa Casino, but from Figure 3. 1 showing the different revenues collected from different websites, there is an overall picture and overall revenue. From Figure 3. 1, you can see that the average daily revenue in 2010 in Resorts World Sentosa Casino is much higher than in Universal Studios Singapore. The casino has a total average daily revenue of S\$8. 33 million while the theme park has a total average daily revenue of S\$1. 38 million.

Gambling Rate

The definition of gambling rate is the percentage of people who take part in gambling activities in a certain area.

The difference in casino gambling and non-casino gambling are that more often non-casino gambling can be illegal and the profits are not recorded down. Casino gambling take place in casino's where the typical table games, slots and electronic games can be found. Non-casino gambling usually involves the lottery, carnival games, and fixed-odds gambling which usually involves sports betting.

The opening of Resorts World Sentosa Casino was bound to affect the gambling rate in Singapore, but the Singapore government, wanting to lower the risk of Singaporeans getting addicted to gambling, imposed an entrance fee of S\$100 for Singapore citizens and Permanent Residences. The whole point of this fee was to limit the number of negative social impacts that the casino could bring into Singapore. This fee would possibly decrease the <https://assignbuster.com/the-real-success-of-resorts-world-sentosa-tourism-essay/>

demand for Singaporeans entering the casino; therefore the revenue of the casino and the economy of the Singaporean gambling industry were mostly affected by foreign visitors and frequent gamblers.

2005

2008

2011 (Projected)

Gender

Male

61%

60%

> 61%

Female

56%

49%

> 56%

Age Group (Years)

18 to 29

47%

42%

> 47%

30 to 39

63%

57%

> 63%

40 to 49

69%

64%

> 69%

50 to 59

57%

60%

> 60%

60 and above

52%

43%

> 52%

Overall

58%

54%

> 58%

Figure 4. 1 Showing The Gambling Rate In 2005, 2008 And The Projected Rate For 2011[28]

From Figure 4. 1 we can see that overall the gambling rate has dropped 4% from 2005 to 2008. It is projected that most of the percentages as well as the overall percentage for the gambling rates would have increased in 2011 due to the opening of the Resorts World Sentosa Casino.

Crime Rate

The building and opening of Resorts World Sentosa Casino not only affected the gambling rate in Singapore but would have most likely also affected the crime rate in Singapore. The definition of crime rate is the ratio of crimes in an area to the population of that area; expressed per 1000 population per year.[29]

2009

2010

+ / –

%

Violent Property Crimes

751

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565

-186

-24. 8

Housebreaking and Related Crimes

1, 025

896

-129

-12. 6

Theft and Related Crimes

20, 445

19, 483

-962

-4. 7

Commercial Crimes

3, 359

3, 807

448

13. 3

Crimes Against Persons

4, 422

4, 787

365

8. 3

Miscellaneous Crimes

3, 184

3, 448

264

8. 3

Overall Crime

33, 186

32, 986

-200

-0. 6

Figure 5. 1 Showing The Crime Rate In 2009 & 2010 And Their Different Categories[30]

From Figure 5. 1 you can see that in 2009 the overall crime rate was 33, 186 and in 2010 the overall crime rate was 32, 986 which is a 0. 6% decrease in

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crime rate. Although the overall crime rate decreased, we can still say that the opening of Resorts World Sentosa will have an impact on the crime rate in Singapore.

Resorts World Sentosa Casino security officers and thousands of security camera's watch out for any crime and bending of casino rules but even still, crime is being committed in the casino. In February 2010, an Indonesian after gambling and losing S\$1000 resorted to stealing a S\$500 cellphone at Changi Airport.[31] Another case was when an 18 year old foreigner attempted to use his 45 year old friend's passport to gain entry into the casino.[32] Another five Singaporeans were arrested for dodging the S\$100 day pass and could be fined up to S\$1000 for the offence.[33] From the real crime cases reported from Resorts World Sentosa Casino you can see that in such a short period of time, many crimes have already been committed. There were already 8 people arrested in the first 3 days of the casino opening and so there is a direct positive relationship between crime rate and the opening of the casino.

Crime has also affected Singapore as a social cost. By more crime being committed, the Singaporean government has to spend more money on security equipment and on training of security forces using lots of resources which are channelled into the dealing of crimes.

Popularity

Another question that needs to be pondered upon is which attraction is more popular amongst tourists? Although popularity does not generate revenue, it helps and takes part in the multiplier effect. As more and more people and

overseas tourists know about the two attractions the chances of them visiting the attraction is higher. If they visit the attraction, they pay money to visit it and therefore, revenue is being made. Countries and cities don't go into the tourism industry for popularity but for money, although popularity does help by taking part in the multiplier effect.

One factor that is taken into consideration are the online reviews of the two attractions. As of April 19th 2011, [www. tripadvisor. com](http://www.tripadvisor.com) has a total of 173 reviews on Universal Studios Singapore while there are only 2 reviews on Resorts World Sentosa Casino.[34]35This shows the popularity of the two tourist attractions. While this might not directly mean that more tourists visit Universal Studios Singapore, but it definitely means that Universal Studios Singapore has left more of an impression than Resorts World Sentosa Casino causing tourists to want to write a review. There are limitations to using tripadvisor because the people who usually put reviews on tripadvisor or websites similar to tripadvisor are usually frequent tourists travellers who travel a lot who are less likely to visit casino's therefore it is slightly bias to use tripadvisor. Also, frequent gamblers would usually not write a review since they most likely already know what casinos have to offer and because they just want to gamble.

Also as of April 19th 2011, [www. tripadvisor. com](http://www.tripadvisor.com) also stated that Universal Studios Singapore is rated #29 of 179 ' Attractions In Singapore', while although Resorts World Sentosa Casino is not rated under this category, it is rated #9 of 22 in the category ' Attractions In Sentosa Island'. Ironically, Universal Studios Singapore is not rated in that category. These ratings would mean that Universal Studios Singapore would be of a higher rating <https://assignbuster.com/the-real-success-of-resorts-world-sentosa-tourism-essay/>

than the casino because overall, as a bigger picture, Singapore is bigger than Sentosa Island and so by rating Universal Studios Singapore under the category 'Attractions in Singapore' and not in the category 'Attractions in Sentosa Island' it shows the bigger picture of Universal Studios Singapore, showing it is more popular than the casino.

According to [www. business. asiaone. com](http://www.business.asiaone.com), Universal Studios Singapore welcomes a daily average of 8, 300 visitors[36]while according to [www. investorpoint. com](http://www.investorpoint.com), Resorts World Sentosa Casino recorded 15 million visitors in 2010 which works out to a daily average of 41, 000 visitors and Universal Studios Singapore recorded 2 million visitors in 2010 which works out to a daily average of 5, 500 visitors.[37]By averaging the two daily averages found out, it works out to a total daily average of 6, 900. We can say that tourists visit Resorts World Sentosa Casino 6 times more than Universal Studios Singapore.

Three search engine websites were taken and tested for the number of search results when the search engines were asked to search for the two terms ' Universal Studios Singapore' and ' Resorts World Sentosa Casino.

Number Of Search Results

Universal Studios Singapore

Google

1, 400, 000[38]

Yahoo!

4, 410, 000[39]

Bing

5, 570, 000[40]

Figure 6. 1 Comparing The Number Of Search Results From Three Different Search Engines

From Figure 6. 1, you can see that Universal Studios Singapore has more search results than Resorts World Sentosa Casino. This could mean that the theme park is more popular and well known than the Casino and that the theme park has more articles, newspaper reports, blogs, etc. than the casino. This could also show the sphere of influence that the two attractions have, Universal Studios Singapore having the larger sphere of influence than the Casino.

By using <http://www.google.com/trends>, the two attractions Universal Studios Singapore and Resorts World Sentosa Casino were compared to see how often they have been searched on Google over time. Google Trends also showed how frequently the two attractions have appeared in Google News stories.[41]

Figure 6. 2 Comparing Google Trends In ' Universal Studios Singapore' And ' Resorts World Sentosa Casino' From 2004 -2011[42]

Figure 6. 3 Showing A Zoomed In Diagram Of Figure 6. 2[43]

In Figure 6. 2, the top half of the graph shows the search volume index. This shows the number of times the terms ' Universal Studios Singapore' and ' Resorts World Sentosa Casino' has been searched on Google. The bottom

half of the graph shows the news reference volume. This shows the number of times the terms ' Universal Studios Singapore' and ' Resorts World Sentosa Casino' has appeared on Google News. From Figure 6. 2 and Figure 6. 3 you can see that Universal Studios Singapore has been searched on Google a lot more than the casino; and that although the casino has appeared in Google News quite a few times, Universal Studios Singapore still has more appearances on Google News. The reason for this is most probably because tourists are more likely to research on Universal Studios Singapore as a tourist destination and attraction and not the casino because if the tourist was a frequent gambler he would most probably not care what kind of services or hotel Resorts World Sentosa had to offer besides the gambling services.

Figure 6. 4 Comparing Google Trends In ' Universal Studios Singapore' And ' Resorts World Sentosa Casino' In 2009[44]

From Figure 6. 4, which shows the Google Trends in 2009, you can see that the casino was not searched on Google at all, unlike Universal Studios Singapore.

Figure 6. 5 Comparing Google Trends In ' Universal Studios Singapore' And ' Resorts World Sentosa Casino' In 2010[45]

From Figure 6. 5, which shows the Google Trends in 2010, you can see that compared to Figure 6. 4, Resorts World Sentosa Casino has appeared on Google News much more. Around February 2010, the casino made a peak in Google News appearances, and appeared more than Universal Studios

Singapore and this is due to the fact that the casino opened on the 14th
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February 2010 and thus there would be lots of news reports about this event. Around March 2010, Universal Studios Singapore made a peak and this is also due to the opening of the theme park, which was opened on the 18th March 2010. Referring to the Google Searches, Universal Studios completely dominated the searches, with the casino only having a slight increase around the same time it had a peak in Google News appearances which is again probably due to the opening of the casino. After the openings of the two attractions, from April 2010 till the end of the year, there were no more Google searches on the casino and both attractions had about the same Google News Appearances and this is probably due to the fact that the gamblers had enough information about the casino already and thus no researching was needed. The reason for the Google News appearances is most likely due to the fact that there were several crimes that occurred in the casino and because of the closing down of the Universal Studios Singapore ride Battlestar Galactica.

Figure 6. 6 Comparing Google Trends In ' Universal Studios Singapore' And ' Resorts World Sentosa Casino' In 2011[46]

From Figure 6. 6, which shows the Google Trends in 2011 from January 2011 to April 2011, you can see that the casino has had no Google Searches at all unlike Universal Studios Singapore. From the graph you can see that the theme park has more appearances on Google News than the Casino, although the casino had two occurrences where their Google News appearance wa