

CHAPTER 1

INTRODUCTION

1.1 Background of the Research

Tourism is a word that have a lot of meaning and according to Macintosh and Goeldner on Ugurlu (2010), tourism can be defined as the sum of the phenomena and relationships arising from the interaction of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors.

Nowadays, people are already well known to tourism as it indicates the presence of holiday which leads to refreshment. The demands of people to tourism has lead tourism to be one of the most important industry in the world. According to Ashley, Brine, Lehr, & Wilde (2007), tourism aids in increasing the economic sector of a country as it has direct effects, indirect effects and the last is dynamic effects. Direct effect refers to the earning of the people who participate in tourist industry as entrepreneurs or workers. Indirect effects refer to the tourism value chains such as foods, beverage, construction, furniture, and other sectors. Dynamic effect refers to factor such as the livelihood strategies of local households, business climate for small enterprise development, and pattern of growth of local national economy. (Ashley, Brine, Lehr, & Wilde, 2007)

Indonesia is the largest archipelago in the world that is located in South East Asia and a member of ASEAN. Indonesia is filled with around 17.504 of islands that are connected by seas and straits. The area of Indonesia's land is estimated to be around 1,812,108 km² with population of around 263,007,063 people on 2017. Looking at the population, Indonesia sits on the 4th rank of the most populated country in the world ("Indonesia Population (2017) - Worldometers", 2017). Indonesia is also known as a country that possess substantial natural resources both in the land and under the sea. Moreover, because of the strategic geographical position,

Indonesia possess many mountains, beaches, and etc. Not only known for their natural beauties, Indonesia is also filled with diverse cultures and traditions that have their own characteristics and believes. By possessing the aspect of natural beauties and diverse cultures, Indonesia is a strategic place for holiday destination. ("About Wonderful Indonesia", 2017)

Fig 1.1 Amount of foreign tourist arrival for the year 2010-2014

Negara Asal	2010	2011	2012	2013	2014
Amerika Serikat	180 361	204 275	212 851	234 134	251 380
Kanada	43 159	54 287	56 501	56 798	61 386
Amerika Lainnya	35 064	38 499	42 857	42 218	45 941
Amerika Total	258 584	297 061	312 209	333 150	358 707
Austria	16 472	15 041	17 226	20 497	20 484
Belgia	22 328	22 551	24 129	28 329	28 084
Denmark	16 755	17 817	22 814	20 096	20 005
Perancis	163 110	148 381	170 046	190 853	210 097
Jerman	145 244	145 160	148 146	168 110	184 815
Italia	38 908	46 145	48 382	63 043	68 024
Belanda	151 836	159 063	146 591	158 181	169 308
Spanyol&Portugal	42 808	36 666	46 180	65 224	68 373
Swedia	24 579	27 525	22 303	27 620	30 502
Norwegia	17 482	16 578	17 562	18 903	18 295
Finlandia	13 740	14 117	14 828	15 949	17 395
Swiss	34 928	35 475	35 346	42 727	47 060
Inggris Raya	192 259	192 685	212 087	228 679	249 218
Rusia	79 398	87 426	95 731	96 543	96 329
Eropa Lainnya	78 573	81 235	87 150	98 251	104 604
Eropa Total	1 038 420	1 045 865	1 108 521	1 243 005	1 332 593
Afrika	27 200	31 640	41 583	51 298	56 503
Timur Tengah	144 661	175 885	148 788	188 676	195 518
Brunei	39 063	48 193	27 734	23 309	23 667
Malaysia	1 277 476	1 302 237	1 335 531	1 430 989	1 485 643
Filipina	189 486	223 779	229 806	246 497	253 237
Singapura	1 373 126	1 505 588	1 565 478	1 634 149	1 739 825
Thailand	123 825	141 771	149 760	141 349	136 833
Vietnam	28 196	36 917	40 084	39 770	44 621
Asean Lainnya	21 113	26 179	26 898	65 357	67 248
Asean Total	3 052 285	3 284 664	3 375 291	3 581 420	3 751 074
Australia	771 792	931 109	961 595	997 984	1 128 533
Hongkong	78 339	86 646	90 560	112 785	112 345
India	137 027	154 237	168 187	201 009	223 607
Jepang	418 971	412 623	450 687	491 574	525 419
Republik Korea	274 999	306 061	311 618	343 627	370 142
Selandia Baru	32 113	36 683	55 857	66 484	76 454
Pakistan	6 314	6 085	6 028	6 213	6 388
Bangladesh	8 724	8 991	12 050	10 567	11 012
Srilanka	6 024	6 207	10 470	11 409	11 961
Taiwan	213 442	221 877	216 535	245 288	244 003
Republik Cina	469 365	574 179	686 779	807 429	926 750
Asia Pasifik Lainnya	64 684	69 918	87 704	110 211	104 402
Asia Pasifik Total	2 481 794	2 814 616	3 058 070	3 404 580	3 741 016

Total Keseluruhan	7 002 944	7 649 731	8 044 462	8 802 129	9 435 411
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Source: (<https://www.bps.go.id/linkTabelStatis/view/id/1388>)

Data above enumerate the amount of tourist that came to Indonesia for the year 2010 until 2014. According to the data above, the number of foreign tourists that visit Indonesia gradually increases over year which indicates that the demand for Indonesia's tourism industry will not fade out. According to <http://www.indonesia-investments.com/id/tentang-kami/tim-penulis/item23> (2016), Indonesia is able to move 20 rank above from position 70th on 2013 to 50th on 2015 due to the fast growth of tourists' arrival. Moreover, Indonesia has competitive advantage in the perception of foreign tourists as Indonesia offer competitive prices, excessive resources, and strong cultures and traditions aspects.

Java is one of the main island Indonesia that possess many tourist attractions as it has excessive resources and strategic geographic aspect where there exist mountains, beaches, etc. Java is the most populated island in Indonesia and Indonesia's fourth largest island which consist of around 124 million people or half of Indonesia's population (Fourtofour, 2015). Java is an island surrounded by around 112 volcanoes consist with 35 of those mountains are active ("Java | island, Indonesia", n.d.). One of the most known volcano in Java is Mount Bromo which is located in East Java. Despite of the volcanic activity, Mount Bromo still has interest in the eye of both local and foreign tourists as on 2014, the total amount of Mount Bromo's visitors are 550,000 tourists with 25,000 of them are foreign tourists (Hermawan, 2015).

There are a lot of factors that make Mount Bromo interest both local and foreign tourists. First is the famous sunrise that can be seen by tourists as they ascend toward the peak of Mount Bromo. According to <http://www.naturalsunrisetour.com/keistimewaan-objek-wisata-alam-gunung-bromo> (2015), the sunrise scenery is the main factor that attract the interests of both local and foreign tourists. Other factors that attract tourists' attention are the savanna and the culture of the local resident around Mount Bromo. Bromo's savanna should not be missed by tourist as it offers tourists the view of savanna that is filled with beautiful flowers. Tengger culture and tradition is another unique characteristic of

Mount Bromo where the local residents arrange annual ceremony of throwing offerings to Bromo's crater. ("Keistimewaan Objek Wisata Alam Gunung Bromo", 2015)

In this research, there are several variables used namely *Monetary Costs*, *Natural Environment*, *Religious Atmosphere*, *Perceived Value of the Destination*, *Emotion of awe*, and *Satisfaction*.

According to Lu & Tian (2015), monetary cost in tourism industry can be related with the cost needed for expense during a tourist' journey such as the travelling expenditures, transportations, accommodation, and catering. Khoir (2017), state that the entry fees to Mount Bromo are different for local and foreign tourist as locals are charged Rp 27,500.00 while foreigners will be charge Rp 217,000.00 on weekdays. On the weekend, locals will be charged Rp 32,500.00, and Rp 317,500.00 for the foreigners. For transportation, the average price of the travel cost is around Rp 290,000.00 from Surabaya to Bromo. According to Noor (2017), the hotel price in Bromo starts from Rp 85,000.00 until Rp 250,000.00.

According to Polapelo (n.d.), natural environment can be described as surrounding and everything that already exist without human intervention which can be divided into land and waters environment. Land environment can be divided into plateau, lowland, beach, and mountains while water environment includes river, seas, lake, and swamp. According to <http://www.yoshiwafa.com/gunung-bromo.html> (n.d.), Bromo is a mountain with an altitude of 2,392 metres above water surface. Bromo also has hills and savannah desert which can be classified as land environment.

According to Rosenberg (2017), atmosphere can be defined as body of air that surround planet earth. According to Zimmerman (2015), religious can be defined as the unique characteristic and custom of certain group that can be seen from their religion, cuisine, language, social habits, arts and music. Thus, the word religious atmosphere can also be seen as the elements of culture of a certain area. According to <http://wisatabromo.com/suku-tengger-bromo/> (2015), Mount Bromo is known to have a strong aspect of culture/ religion as it is inhabited by "suku Tengger" which is the group of people who lives around Mount Bromo. The religious customs can be seen

from people of Tengger who annually arrange a ceremony where the locals are giving offerings by throwing it on the crater of Bromo.

In response to the beauty of nature that Mount Bromo offer, tourist always shows the expression of awe or admiration toward the beauty of Bromo. Lu & Tian (2015), stated that emotion of awe is the affective point of view incorporated the awe that tourists felt when they encountered magnificent mountains, a grand vista, or other great scenes and investigated how emotion of awe positively promoted tourists' satisfaction. (Lu & Tian, 2015)

In defining awe, Keltner, D. and Haidt, J. (2003) state that awe is a complex emotion that includes confusion, wonder, fear, and a feeling of humility. When the tourist encounters stimuli from natural wonders, divine religion, authority figures, great art, and other external environments, they will experience awe. Shiota, M.N., Keltner, D. and Mossman, A. (2007) stated that awe is a complex emotion that is relevant to tourism as it can make tourist to feel strong relation with the environment and leads to memorize and remember their travel experience. In addition, the emotion of awe also give a positive effect to tourists directly (Lu & Tian, 2015). According to Sulaiman (2013), the emotion of awe toward Mount Bromo arose as the sight of mist puff from the base of the valley, the sound of the savannah dessert, and the beauty of the sunrise. Sidarta (2017) stated that the beauty of Mount Bromo caused the tourist to feel enthusiastic and also excitement. (Sulaiman 2013; Sidarta 2017)

According to Zeithaml (1988) (on Pahm, Do, &Phung :2016), suggested that perceived value is a "consumer's overall assessment of the utility of a product or service based on perceptions of what is received and what is given". According to Anderson et al. (1994), Perceived value is not determined by the sellers or owners, but by the customers based on their personal perceptions of a product or service compared to the price they have already paid (Pahm, Do, & Phung, 2015). According to Sulaiman (2013), tourist's perceived value of Mount Bromo leads to them feeling the trip to be amazing and tourists didn't show any expression of dissatisfaction or regret on their face and words.

Satisfaction can be referred to summary affective response of varying intensity. Satisfaction is directed toward focal aspects of product acquisition and/or consumption. Westbrook (1987) defines satisfaction as a "global evaluative judgment about product usage/consumption" (Giese & Cote, 2002). According to Oliver (1997), satisfaction can be referred as an assessment toward a product or service provided by supplier or producer that is able to exceed the expectation of customers. Sulaiman (2013) said that the experiences from Mount Bromo is able to provide tourist with satisfaction.

The reason of the writer in choosing is topic is due to the growing tourism industry in Indonesia. The writer thinks that by writing a thesis regarding the tourism destination (Mount Bromo), it will be beneficial towards the viewer in knowing more about Indonesia's beauty and embrace local and foreign tourist to visit Mount Bromo in order to improve Indonesian tourism industry. Through this essay, the writer hope that more people are more aware of the presence of Mount Bromo/

1.2 Research Problems

The following research problems that will be tested in this research:

1. Do monetary costs have significant effects toward the perceived value of the destination for Mount Bromo's tourists?
2. Does natural environment have significant effects toward the perceived value of the destination for Mount Bromo's tourists?
3. Does religious atmosphere have significant effects toward the perceived value of the destination for Mount Bromo's tourists?
4. Does natural environment have significant effects toward the emotion of awe for Mount Bromo's tourists?
5. Does religious atmosphere have significant effects toward the emotion of awe for Mount Bromo's tourists?
6. Does perceived value of the destination have significant effects toward the emotion of awe for Mount Bromo's tourists?
7. Does emotion of awe have significant effects toward the satisfaction for Mount Bromo's tourists?

8. Does perceived value of the destination have significant effects toward the emotion of awe for Mount Bromo's tourists?

1.3 Research Objectives

Based on the mentioned research problems, the objectives of this research are:

1. To identify the effect of monetary cost toward the perceived value of the destination for Mount Bromo's tourists.
2. To identify the effect of natural environment toward the perceived value of the destination for Mount Bromo's tourists.
3. To identify how religious atmosphere, affect perceived value of the destination for Mount Bromo's tourists.
4. To identify the effect of natural environment toward the emotion of awe for Mount Bromo's tourists
5. To identify the effect of religious atmosphere toward the emotion of awe for Mount Bromo's tourists
6. To identify how perceived value of the destination affect the emotion of awe for Mount Bromo's tourists
7. To identify how emotion of awe affect the satisfaction of Mount Bromo's tourists.
8. To identify how perceived value of the destination affect the emotion of awe for the Mount Bromo's tourists

1.4 Research Contributions

This research is expected to give contributions toward:

1. Companies in Indonesia

This research is aimed to give information and directions toward companies of travelling industries as the study will help them in knowing tourists' preferable price through monetary cost variables and the demand of the tourist through other variables.

2. Management Study

This study is aimed to contribute toward managements studies that is related with tourism industry especially those that is related with tourist satisfaction toward variables of monetary costs, natural environment, religious atmosphere, perceived value of destination, and emotion of awe.

3. Researcher

This study is expected to give information that researchers can implement to their studies.

1.5 Research Limitations

The research scope of this research is limited only to people of Surabaya who have visited Mount Bromo before. The study will focus on six variables and the effect of each variables toward other variables. The variables mentioned are natural environment, monetary cost, religious atmosphere, perceived value of destination, emotion of awe, and satisfaction

1.6 Research Outline

The systematic writing for this research is as follows:

CHAPTER I Introduction

This chapter will discuss about the background in choosing topic, research problem, research objectives, research contribution, and also research limitation,

CHAPTER II Literature Review and Hypotheses

This chapter will discuss about literature review, earlier research, hypothesis, and research model.

CHAPTER III Research Method

This chapter will discuss the research design, population and samples, methods of data collection, definition of operational and variable measurement, and method of data analysis

CHAPTER IV

This chapter will start by describing the object of this research, then continued by organizing findings which address question on behalf of the research, and continued with how the data collected is related to theories by previous researches that is highlighted on previous chapter

CHAPTER V

This chapter will mainly focus on research summary, conclusions, and also recommendation which can be implemented in order to improve the study of the topic by methodological, theoretical, and also substantive contributions which could be important in order to surpass the limitation faced by the existing empirical facts in the upcoming future