CHAPTER I

INTRODUCTION

1.1   Background of Study

Tourism has been one of the essential needs for individuals to have time off from their usual daily life, aside from that tourism has also become an important sector to contribute and accelerate a nation's economic growth itself. Indonesia, a sprawling archipelago known for its cultural diversity and natural beauty, has long been a popular destination that attract many tourists (Badan Pusat Statistik, 2022).

Bali has several areas that is renowned for its attraction, the first touristic area that is also one of the most popular areas of Bali is Kuta that will be part of the object research in this study. Kuta is widely known for the adrenaline rush destination (Buddies, n.d.). However, the global Covid-19 pandemic had a devastating impact globally on the tourism industry, which is one of the industries that relies heavily on the mobility of people. As a result, the sales in this industry experienced a dramatic drop (Guridno & Guridno, 2020), severely affecting the nation's economy.

Table 1.1 Yearly Number of Foreign Tourists Visit to Bali

Yearly Number of Foreign Tourists					
Time Period	2018	2019	2020	2021	2022
January - November	14.404.751	14.729.887	3.888.844	1.393.911	4.576.156
December	1.405.554	1.377.067	164.079	163.619	1.412.875
Total Visitors	*15.810.305*	*16.106.954*	*4.052.923*	*1.557.530*	*5.989.031*

Source: Badan Pusat Statistik, Berita Resmi Statistik 2023.

From the table above, it can be seen the number of tourists experienced a drastic drop 74.84% from the 2019 to 2020 due to the impact of the Covid-19 pandemic, the economic mobility was put on halt and vaccine was not fully developed yet. The year 2022 is the so called new normal era, where Indonesia has adapted and developed quite well with the post pandemic impact, it can be seen through the growing number of tourists from the year 2021 to 2022.

For this research, the subject of research is focused on domestic tourists hence the writer compiled data from Badan Pusat Statistik and converted it to the chart below. It can be seen that the number of domestic tourists visiting Bali also experienced the same dramatic drop with the foreign tourists in 2020 and 2021 due to the pandemic, but also do slightly increase by 87.21% from 2021 to 2022. The improvement in 2022 is also with the support of staycation tourism activity that is back on trend.
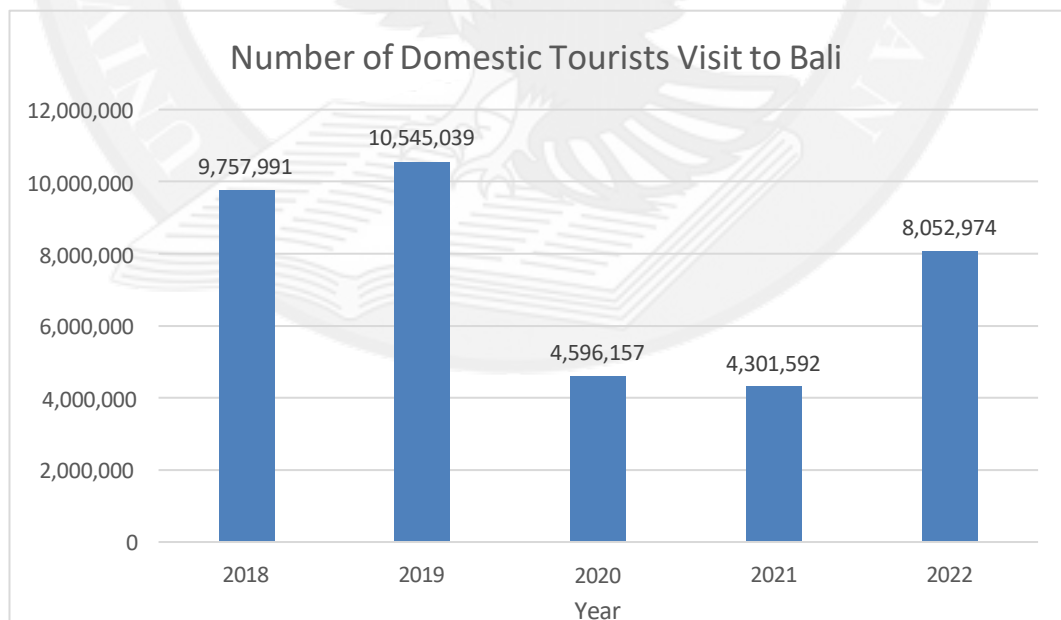

Figure 1.1 Yearly Number of Domestic Tourists Visit to Bali
Source: Badan Pusat Statistik, Berita Resmi Statistik 2023.

Figure 1.2 Staycation makin populer
Source: Instagram @tiketcom (2022), https://www.instagram.com/

Travel between countries were banned during the pandemic, due to the global travel lockdown and Indonesia named PPKM (Pemberlakuan Pembatasan Kegiatan Masyarakat), staycation has become a popular get-away activity for the Indonesia's citizens. Domestic tourists began increase more compared to the foreign tourists with Bali as the top domestic tourist destination that is located on East Java Island, Indonesia. Part of pandemic effect, touchless service during any travelling activity has been highlighted as a must, this also has greatly affected the tourism industry in a positive way where most tourism industry were pushed to keep up with the development of technologies (tiket.com, 2022).

Indonesia as the rank 4 nation with the largest population in the world, according to Badan Pusat Statistik (2022), the 2020 population survey in Indonesia is mostly dominated by the Generation Z group with 27.94%. Generation Z refers to the individuals born in the year 1996-2012, with the significant number of this

generation group, it will automatically become the potential target market or representative of customers for most industry markets including tourism.

According to the research conducted by Booking.com (2019) in concern of Generation Z's travel behavior, the research result exhibit travel is in the main priority of needs more than saving money to buy property/house with the number of 65%. Generation Z has the exact specific idea about the travel and experience they wish to achieve, such as the destination that is challenging or famous in the social media world or movie. Generation Z's travel bucket list mapped by Booking.com (2019) with the first in rank is the natural wonders (49%), amusement parks (38%), contribute to local community by travelling (44%), and climb mountain (21%).

Firstly, in this case, the research problem focuses on understanding the factors that could influence the visit intention among potential travelers hence it could provide a suitable insights and strategies to rejuvenate the tourism industry in Bali, Indonesia specifically around Kuta area after the post pandemic effect. The independent variables are travel motivation, perceived risk, and travel constraints, while the dependent variable is visiting intention, and the intervening variable is destination image.

Visit intention described by Mulyati & Masruri, (2019), as the impulse that arises or derived from the individuals' desire to act before making a decision to purchase or visit certain travel destination. In addition, Alegre & Cladera (2009) stated visit intention to be the plan or determinant to travel a particular destination for a specific purpose, whereas it is the initial step in the travel process and the level

of intention could vary depend on the factors.

Destination image is about the concept of information accumulated over time that describes how individuals perceive and evaluate based on the assumption of information, ideas, and impression on particular destinations (Choirisa et al., 2021). To simplify, destination image is the mental image or expectation inside the individual's mind about the place before they visit (Andrades & Dimanche, 2017). This could be formed through advertising, media, personal experiences, and word of mouth. A positive destination image that aligns with the travel motives or preferences can impact the intention and decision-making process to travel.

Travel motivation according to Musselman (2022) is motive of need to escape from the stimulation that could lead to actual participation and the fulfilled need will gain a sense of accomplishment as in to dispel the stimulation. Travel motivation can be described as the driving force behind the individual's desire to travel and explore new places, depending on the personal preferences, needs, and values (Pearce, 2011).

Based on Schiffman & Kanuk (2018), perceived risk is the uncertainty the tourists might or not face, as they are not able to predict the outcome of the transaction made prior the activities. Hence, they may take extra precautions to feel secure and minimize the potential for any mishap to occur (Schiffman & Wisenblit, 2019). Few studies have identified that there are several types of perceived risk, including financial risk, health risk, travel risk, and psychological risk (Andrades & Dimanche, 2017; Peric et al., 2021).

Constraint has long been defined as one of the key reducing the enjoyment in activities and could lead to non-participation (Lin et al., 2022). According to Ferreira et al. (2016) illustrating travel constraint as a feature of barriers that could restrict, hinder, or limit the individuals to actively engage in tourism activities. It could reduce the tourists' level of travel experience and expected to achieve travel goals.

Various studies have been conducted to have a better understanding of the relation concerning travel motivation, perceived risk, travel constraint, destination image, and travel intention (Mohammad Jamal Khan et al., 2017). Previous research found out there is an influence between the travel motivation, perceived risk, travel constraint, destination image, and travel intention.

There are two research gaps in this research study. The first gap is related to a demography and specific age groups of the subject of research, second is in object of research is Bali, Indonesia specifically Kuta area. The research gaps in this research study explores the impact of these factors on Generation Z visit intention to Bali, Kuta area through destination image. Moreover, most previous studies have focused on the female respondents around the university campus job fair event and specific age groups, ignoring the unique characteristics of Generation Z in Medan.

In this research, the writer specifically aims to investigates and understand the factors influencing the dependent factors, Medan Generation Z's visit intention to Kuta area in Bali as it is crucial in developing effective marketing strategies and rejuvenate the tourism industries around Kuta, Bali to fill the research gap. This research is about the effect of the perceived assumption of the targeted population

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towards the behavioral intention which has the possibility to lead to the final purchase decision.

The research will be conducted in Medan through a survey online platform, as it represents a significant market for Bali's tourism industry. Henceforth, through the above description, the writer concluded the study aims of this research will be named as **"THE EFFECT OF TRAVEL MOTIVATION, PERCEIVED RISK, AND TRAVEL CONSTRAINT TOWARDS MEDAN GENERATION Z'S VISIT INTENTION TO BALI, INDONESIA SPECIFICALLY KUTA AREA THROUGH DESTINATION IMAGE".**

1.2   Problem Limitation

The aim of the research is to address the gap in knowledge in regard to the effect of travel motivation, perceived risk, travel constraint on visit intention, through destination image. Based on the background of study above, the problem limitations in this paper will be listed as follows:

1. This research focuses to observe and examine the effect of travel motivation, perceived risk, and travel constraint on visit intention of Medan Generation Z to Bali, Indonesia specifically Kuta area through destination image as the intervening variable.

2. Respondents in this paper are required to be from the Gen-Z group with the age between 18-26, domiciled in Medan, as this particular age of group is most populated in Indonesia.

3. The data used in this research will be collected and distributed through online google forms in questionnaire to the respondents.

1.3   Problem Formulation

The problem formulations in this paper are stated as below:

1. Does travel motivation significantly affect the cognitive image of Medan's Generation Z towards Kuta Area, Bali?

2. Does travel motivation significantly affect the affective image of Medan's Generation Z towards Kuta Area, Bali?

3. Does perceived risk significantly affect the cognitive image of Medan's Generation Z towards Kuta Area, Bali?

4. Does perceived risk significantly affect the affective image of Medan's Generation Z towards Kuta Area, Bali?

5. Does travel constraint significantly affect the cognitive image of Medan's Generation Z towards Kuta Area, Bali?

6. Does travel constraint significantly affect the affective image of Medan's Generation Z towards Kuta Area, Bali?

7. Does cognitive image significantly affect the visit intention of Medan's Generation Z towards Kuta Area, Bali?

8. Does affective image significantly affect the visit intention of Medan's Generation Z towards Kuta Area, Bali?

1.4   Objective of the Research

The objective of research on this paper are stated as below:

1. To investigate and analyze the effect of travel motivation towards the cognitive image on Medan's Generation Z.

2. To investigate and analyze the effect of travel motivation towards the

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affective image on Medan's Generation Z.

3. To investigate and analyze the effect of perceived risk towards the cognitive image on Medan's Generation Z.

4. To investigate and analyze the effect of perceived risk towards the affective image on Medan's Generation Z.

5. To investigate and analyze the effect of travel constraint towards the cognitive image on Medan's Generation Z.

6. To investigate and analyze the effect of travel constraint towards the affective image on Medan's Generation Z.

7. To investigate and analyze the effect of cognitive image towards Medan Generation Z's visit intention.

8. To investigate and analyze the effect of affective image towards Medan Generation Z's visit intention.

1.5 Benefit of Research

Based on the outlined research objectives, it is intended that this study will be beneficial for people who can be explained as follows:

1.5.1 Theoretical Benefit

The findings of this study are expected to be used as contributions for theory development and research, particularly in the areas of travel motivation, perceived risk, travel constraint, destination image, cognitive image, affective image, and visit intention. Furthermore, this research is expected to be used as a reference for future research in the tourism industry and travel behavior. The future research is suggested to add new variable discussion to be more in-depth to the final travel

decision or post travel decision (travel satisfaction or travel experience), as this research is investigating the assumption and perception to the behavioral intention of the targeted population.

1.5.2 Practical Benefit

1. For Writer

Beneficial in terms of broadening the author's perspective and increasing her knowledge about the effect of travel motivation, perceived risk, and travel constraint on visit intention through destination image, particularly for the Bali's tourism industry with the specific target market of Medan's Generation Z.

2. For Marketers, Readers, and Tourism Industry Around Kuta, Bali

It is hoped that for the Bali's Tourism industry to have better understanding to develop strategies accordingly for the travel motivation, perceived risk, travel constraint with related authorities to contribute and improve the destination image, trigger the visit intention. Offering additional insights to help marketers and readers to have a better comprehension and able to create an effective strategy to avoid wasting the funds and time.

1.6 Writing Systematics

To make the discussion in this thesis easier to comprehend and understand as a whole, a systematization must be presented to facilitate the readers. This paper consists of five chapters, each serving a unique purpose.

1. Introduction to the Thesis

The opening section includes the front cover page, title page, supervisor approval page, ratification page, motto and dedication page, prologue page, table

of contents page, table list page, image list page, attachment list page, definition of symbols and abbreviations, and abstraction.

2. Main Section of the Thesis

The primary section is broken into the following chapters and subchapters:

Table 1.2 Writing Systematics

CHAPTER	ABOUT
Chapter I: Introduction	This chapter includes context, problem formulation, problem limits, research aims, research benefits, and thesis writing methodology.
Chapter II: Literature Review	This chapter's literature review has the following sections: a. Research review, which summarizes the results of prior research pertinent to the study. b. Theoretical basis comprising a discussion of travel motivation, perceived risk, travel constraint, destination image, and visit intention.
Chapter III: Research Methodology	In this chapter, the author outlines the research methodologies utilized by the author in the development of information systems. In order to be thorough, the chapter's research methodologies include: a. Location and Timing Selection for Research b. Needs Assessment c. Research Activity (Flowchart included)
Chapter IV: Research Result and Discussion	This chapter provides an overview of the study and analysis outcomes. Both qualitatively, quantitatively, and statistically, as well as a description of the research outcomes. Chapter IV is divided into: a. Research Outcomes b. Discussion
Chapter V: Conclusion	This chapter offers conclusions and recommendations drawn from the full body of research. Problems that exist in the research and the findings of the objective analysis of the research can be stated as conclusions.

Source: Prepared by the Writer (2023)

3. Conclusion of the Thesis

This dissertation's conclusion includes a bibliography and a list of appendices.