CHAPTER II

LITERATURE REVIEW

A. Theoretical Basis

1. The concept of Green Tourism

The notion of a green economy is an economy that results in improved human well-being and reduces inequalities while not making future generations experience many environmental risks and ecological scarcity. The green economy seeks to provide long-term social benefits for short-term activities aimed at mitigating environmental risks. According to the International Chamber of Commerce (2011) the green economy is an economy in which economic growth and environmental responsibility work together by mutually reinforcing and supporting the progress of social development.

According to the United Nations Environmental Program (UNEP), it defines the green economy as an economy that improves human welfare and social justice, while significantly reducing environmental risks and ecological scarcity. Ecological green economy is a model of economic development based on sustainable development and ecological economic knowledge.

2. The Concept of Sustainable Development

The concept of sustainable development by the Ministry of Environment (1990) development that is basically more economic oriented) can be measured sustainability based on three criteria, namely:

1) No waste of natural resource use or depletion of natural
2) No pollution and other environmental impacts;
3) Activities should be able to increase the useable resources or replaceable resource.

Almost the same as the above concept, (Sutamihardja, 2004), states that sustainable development goals include efforts to realize the occurrence of:

a. Equity sharing of intergeneration equity results means that the utilization of natural resources for the benefit of growth of reasonable boundaries in the control of the growth ecosystem needs to consider reasonable limits in ecosystem or environmental systems control and is directed to natural resources that replaceable and emphasize as low as possible the exploitation of irreplaceable natural resources.
b. Safe guarding or safeguarding the preservation of existing natural resources and the environment and preventing ecosystem disturbances in order to ensure a good quality of life for future generations.

c. Utilization and management of natural resources for the sake of pursuing economic growth for the sake of equitable distribution of sustainable natural resource utilization between generations.

d. Maintaining the welfare of the people (community) that is sustainable both now and in the future.

e. Maintain the benefits of development or management of natural resources and environment that have long-term or sustainable long-term benefits.

f. Maintain the quality or quality of human life between generations or sustainably between generations. According to Fauzi (2004) moral reason, the present generation enjoys goods and services produced from natural resources and environment so it is morally necessary to pay attention to the availability of natural resources for future generations.

3. Definition of Tourism

In a broad sense, tourism is a recreational activity outside the domicile to escape from routine work or seek other atmosphere. As an activity, tourism has become an essential part of the basic needs of advanced societies and a small portion of the people of developing countries. Tourism is growing in line with social, cultural, economic, technological and political changes (Damanik and Webber 2006)

According to the above tourism terminology can be concluded that tourism can be formed if there are actors of tourism (demand) who do have motivation to travel, availability of supporting infrastructure, the existence of attractions and attractions supported by a good promotion and marketing system and service to the perpetrators tourism (supply). In relation to Law No.10 of 2009 on tourism, tourism is defined as a variety of tourism activities and supported by various facilities and services provided by the community, businessmen, government and local government.

According to Yoeti (2008) that tourism must meet the four criteria below, namely:

1. The journey is done from one place to another, the journey is done outside the residence where the person usually lives;
2. The purpose of the trip is done solely for fun, without earning a living in the Country, city or Tourist Destination (DTW) visited.
3. The money that the traveler spends is taken from his or her home country, where he can stay or stay, and not acquired because of the results of the effort during his/her tour;
4. The trip is done at least 24 hours or more. According to the World Tourism Organization (WTO), tourism is defined as the activity of a person traveling to or living in a place outside his ordinary environment in no more than a year continuously, for pleasure, business or other purposes.

According to the formulation of the International Union of Official Travel Organization (UOTO, now UN-WTO) in Pitana (2009) in 1963, referred to tourist and excurtionist are as follows:

Tourist (tourist) is a temporary visitor who at least lived for 24 hours in the country he visited with the purpose of travel:

a. Excursions, for recreational, leisure, health, study, religious and sporting purposes.
b. Family, business, conference.
c. Travelers (excurtionists) are temporary visitors who live less than 24 hours in the country they visit (including travelers with cruises).

Charles R. Goeldner, J. R. Brent Ritchie (2009) in Tourism: Principles, Practices, Philosophies states that any attempt to define tourism and to describe environmental space must fully consider the various groups that are affected and participate in the industry. Their perspectives are crucial to the development of a comprehensive definition. Four different tourism perspectives can be identified:

1. Tourists are people who aim to gain psychic and physical experience and satisfaction. This nature will greatly determine the chosen destination to enjoy the activity.

2. Business actors providing travel goods and services. People see the tourism business as an opportunity to make a profit by providing goods and services that suit the demand of the tourism market.
3. Local government. Politicians see tourism as a factor of wealth in the economy of their jurisdiction. Their perspectives are related to the income their citizens can gain from this business. Politicians also consider foreign exchange earnings from international tourist as well as tax revenues collected from tourist expenditures, either directly or indirectly. Governments can play an important role in tourism policy, development, promotion, and implementation.
4. Local people are local people who usually see tourism as a factor of culture and employment. What is important for this group, for example, is the effect of the interaction between a large number of international visitors and citizens. This effect may be financially or harmful, or both.

According to Gamal (2002), tourism is a form of a temporary departure process from a person, more to another place outside his or her residence.

4. Form of Tourism

According Pendit (1999), the forms of tourism are classified into five categories as follows:

a. According to Tourist Origin; If tourists come from within the country means that tourists only moved temporary place within the territory of their own country during the trip called domestic tourists. Meanwhile, if tourists come from abroad called international tourists.

b. According to Result to the Balance of Payments; the arrival of tourists from abroad will bring in foreign currency. Where the foreign exchange earnings give a positive effect on the balance of payments abroad of a country visited by tourists, it is called active tourism. While traveling a citizen abroad will have a negative impact on the balance of payments abroad is called passive tourism country.

c. According to the Term; the arrival of tourists in a region or country is also taken into account by the length of stay in the region or country concerned. This raises a term called short-term tourism and long-term tourism. The term depends on the provisions imposed in a country to measure the length or length of time in question.

d. By Number of Travelers; this form of tourism is distinguished by the number of tourists who come, whether the tourists come alone or with a group. So that came the term called single tourism and tourism entourage.

e. According to the means of conveyance used; this tourism is distinguished into air tourism, marine tourism, rail road and car tourism, depending on what vehicle tourists use.

5. Types of Tourism

Tourism can be distinguished by its kind by looking at the motives of tourists who visit a place. The types of tourism are as follows:

1. Cultural Tourism. A person who travels with the aim of studying the customs, cultures, ordinances of community life and customs of the region or country visited. Included in this type of tourism is to follow art missions abroad or to witness art festivals and other cultural activities.
2. Health tourism called also recovered tour. This means that a person travels with the goal of healing from an illness or to restore physical and spiritual fitness. Health tourism object is a resort, hot springs, mineral water sources and other facilities that allow a tourist can rest while traveling.
3. Sports Tour, someone who travels with the aim to participate in sports activities, such as Olympiad, Thomas Cup, Sea Games.
4. Commercial Tour, another term is a business tour. Tourists who enter into this type of tour are those who travel for commercial or commercial purposes. For example, visit trade shows, industry fairs, fairs, and craft fairs.
5. Industrial Tour, a trip by a group of students or students to visit a large industrial site to study or research the industry.

6. Political tourism, a visitor to a State for an active purpose in political activity.
7. Conversion tour, a person traveling to and traveling to a regional or State place for the purpose of attending a convention or conference.
8. Social tourism, social tourism activities are tourism activities that are held with the purpose of non-profit or not looking for profits.
9. Farm tourism, organizing trips by visiting farms, plantations for study purposes, and research or comparative studies.
10. Maritime tours, maritime tours (marinas) or nautical. This marine tourism is often associated with water sports.
11. Nature tourism tour, this type of tour is a visit to the nature reserve area. Besides to visit rare animals or plants also for the purpose of breathing fresh air and enjoy the beauty of nature.
12. New Tour, this tourism activity is associated with hobby hunting.
13. Pligrim tourism, this type of tour is associated with religion, beliefs or customs in society.
14. Honeymoon tour as the name implies, people who travel in this type of tour is a person who was honeymooning or newlyweds.

Tourists are all interested parties in Tourism activities. The development of a tourist attraction could not be separated from the role of

tourism actors. If viewed from the understanding, tourism actors can be divided into:

1. Tourists are consumers or users of products of the service. The changes that occur in their lives have a direct impact on the needs of tourism in this case the demand for tourism.
2. Supporting Tourism Services. This group is an undertaking that does not specifically offer tourism products and services but often relies on tourists as users of such services and products.
3. The Government has the authority to regulate, supply and design various infrastructures related to tourism needs. The government is also responsible for determining the direction of the intended tour.
4. Local communities, especially indigenous people who live in tourist areas that became one of the key roles in tourism. Because in fact those who will provide most of the attractions at once determine which will provide as great attractions as well as determine the quality of tourism products.

6. Tourism Impact

According Faizun (2009) the impact of tourism is the changes that occur to the community as a component in the environment before there are tourism activities and after the tourism activities. According to Cohen 1984, the impact of tourism on socio-economic conditions of local communities

there are eight major groups namely: Income of foreign exchange, Income of society, Employment opportunities, Price, Distribution of benefits, Ownership and control, General development, Government revenue.

According to Kusudianto (1996) that a well-planned tourist attraction, provides economic benefits that improve the level, quality and lifestyle of the local community, but also improvement and maintenance of a better environment.

7. The Demand of Tourism

The demand for tourism is the total number of people traveling to use tourism facilities and services in places far from where they live and work (Mathieson and Wall, 1982). The demand for tourism affects all sectors of the economy, including: individuals (individuals), small and medium enterprises, private companies, and government sectors (Sinclair and Stabler, 1997).

According to Kartika (2015), the factors that influence tourism demand are:

a. Price. High prices in a tourist destination, will provide the impact on tourists who will travel, so the demand for tourism will be reduced. Vice versa, if the price of a tourist destination is low, then the demand for tourism will increase.

b. Income. If a person's income is high, then the tendency to choose a tourist destination will be higher. Vice versa, if the individual income is low, then the tendency to choose a tourist destination will be lower.

c. Socio-cultural. Given the social culture that is unique or different from what is where the tourists come from, then the increase in demand for tourism will be high.

d. Social politics. If the socio-political conditions of a tourist destination in a safe and peaceful situation, then the amount of tourism demand will be high. Vice versa, if socio-political circumstances tense, then the demand for tourism will be low.

e. Family intensity. If the number of families a lot then the desire for a vacation from one of the family will be greater, this can be seen from the interests of the tour itself.

f. Prices of substitutes. Substitute items here are superseded as a substitute for tourist destinations that are reserved in the tour.

g. Price of complementary goods. Complementary goods here be considered as a tourist attraction that complement each other with other attractions.

The demand for tourism is also based on its own budget. This is the key to tourism demand. Someone will consider reducing the budget it has for a holiday's interest. Meanwhile, activity or tourism is an activity that can

create demand for tourism activities undertaken by tourists by itself will be the services.

One example of a tourism demand function, in which all variables are based on a particular time period, is (Sinclair and Stabler, 1997):

Dij = f (Yi, Pij, Eij/k, Tij/k, DV)

Where:

Dij : The demand for tourism by i against i

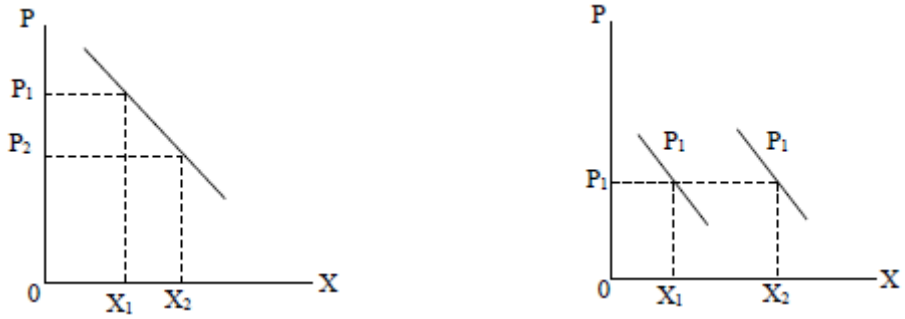
Yi : Revenue at i

Pij/k: The price of i relative to i per k

Eij/k: Basic change of i against i per k

DV : Dummy variable

In Economy, the demand for tourism uses the elasticity approach of demand or income in describing the relationship between demand and expectation level or demand with other variables. This can be explained in curves as follows:



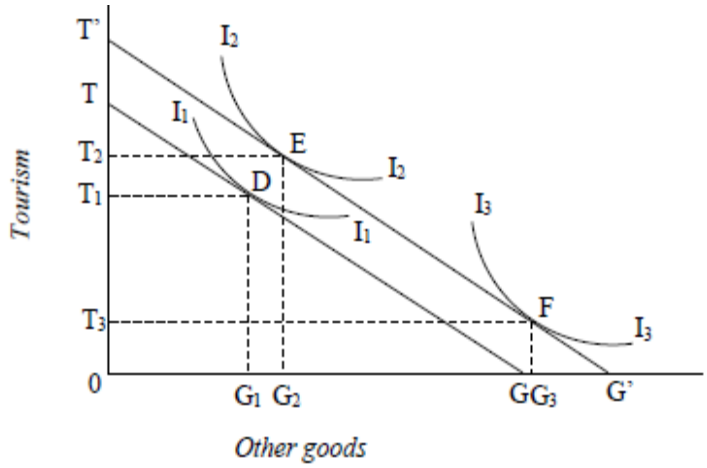
a. Factors Of Price Against Demand b. Factors Of Non-Price Against Demand

Source: Ariyanto (2005)

FIGURE 2.1
Demand Curve of Tourist

The picture above shows the changes that occur on the demand curve. In panel a, changes along the demand curve apply when the price of the requested item becomes higher or decreases. While in panel b, the demand curve moves to the right or to the left if there is a change in the changes to the demand caused by non-price factors. As if the price of other goods, the income of buyers and various other non-price factors change, then the change will cause the demand curve to move to the right or left.

Economics stipulates that tourism demand is influenced by income and prices. In the case of an increase in income compared to prices, the effect on most types of tourism and tourist destinations will be significant. This applies to normal goods. But it can also rise in revenue leading to a decrease in demand, pleading for inferior goods. Figure 2.2 illustrates these two effects.



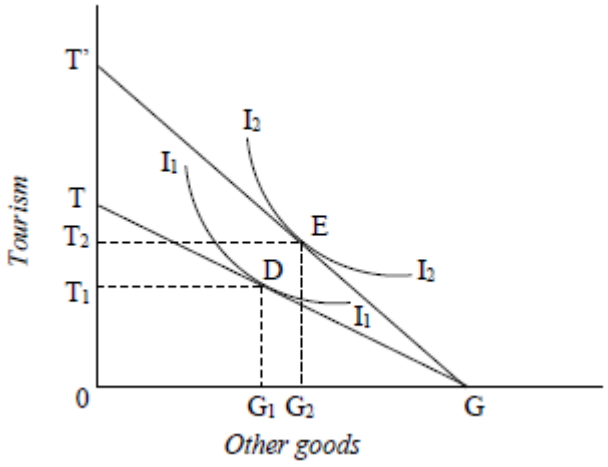
Source: Sinclair and Stabler (1997)

FIGURE 2.2

The Influence of Income Increase On Tourism Consumption

The vertical axis measures tourism and the horizontal axis measures other goods. The TG and T_1G_1 lines are the budget line before and after the revenue increase, assuming that other tourism prices and other goods are relatively constant. If tourism is a normal good, the indifference curve is I_2, thus demand rises from OT_1 to OT_2 on E. If tourism is inferior goods, the indifferent curve is I_3, the increase in income makes tourism decline from OT_1 to OT_3 on F. If demand positively affects income and demand increase exceed the proportion, this item is known as a luxury and if demand rises less than its proportion, this item is known as primary goods. In the concept of elasticity, the demand for elastic luxury goods by following the change of income, while for the goods needs is inelastic.

The second case is the influence of tourism demand if there is a relative price change with constant income. Demand and price are generally negatively related, thus a normal decrease will be followed by an increase in demand, and vice versa. The effect of the decline in tourism prices is illustrated in Figure 2.3



Source: Sinclair and Stabler (1997)

FIGURE 2.3

The Influence of Income Decrease On Tourism Consumption

At a time when tourism is becoming cheaper, the individual budget for tourism is now at a maximum of OT'. While the maximum amount of other items obtained is fixed at OG. The optimal combination of demand and other goods at the beginning and the change is shown by D and E, thus the decline in tourism prices leads to an increase in demand and satisfaction, where

individuals obtain OT_2 tourism and OG_2 other goods compared to OT_1 and OG_1 when prices have not fallen.

Demand for tourism depends on the characteristics of tourists or types of tourists such as income, age, education level, motivation, character, nationality, gender and socioeconomic groups. These characteristics will each affect the tendency of people to travel and the choice of destination (Huda, 2012). Demand is also determined by the nature of the destination, travel, attractiveness, price and the effectiveness of the marketing activities of the destination. Government policy can raise or lower the demand for tourism directly and intentionally and indirectly through factors that are important to tourists such as security (Wahab, 1989).

Social and cultural factors will affect the public perception of the need for recreation to the sights. If someone with higher education tends to have higher demand. Higher education tends to raise awareness to relax for a moment and enjoy leisure time. Higher educated people consider it important to travel so that they will consume more tourism services than people with lower education and knowledge (Faisal, 2005).

In addition Richard Sihite in Huda (2012), states that there is a relation of distance of residence to the demand of tourism, especially where the tourist has a long distance. The passage of a person for a while, held from one place

to another, leaves its place, with a plan and with the intent not to try or earn a living in the place visited, but merely to enjoy the activities of sightseeing and recreation or to fulfill desires are diverse.

The theoretical framework underlying this research is tourism theory and tourism object theory which according to Yoeti (1996) distance between place/area of origin of tourist and area of tourist place also influence request to do tourist visit.

8. Economic Valuation.

The general economic valuation can be defined as basically an effort to provide quantitative value to goods and services produced by natural resources and environment regardless of whether market value is available or not (Susilowati, 2002 in Salma and Indah, 2004). The root of the concept of assessment is actually based on neoclassical economics (Neoclassical Economic Theory) which emphasizes the satisfaction or needs of consumers. In this thinking it is argued that the assessment of each individual on goods and services is nothing but the difference between the willingness to pay and the cost for the demand for goods and services.

Economic valuation is an attempt to provide quantitative value to the goods and services produced by natural and environmental resources regardless of whether market value is available for the goods and services. In general the method of assessing the economic benefits (environmental costs)

of a natural resource and the environment is basically divided into two major groups, based on a market-oriented approach and survey-oriented approach or hypothesis assessment presented as follows (Djijono, 2002):

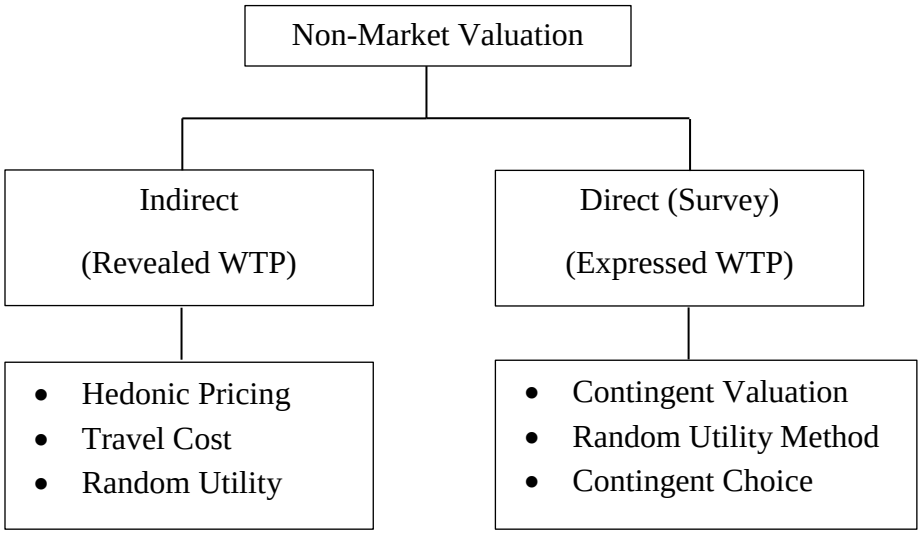
1) Market Orientation Approach
    a. Assessment of benefits using actual market price of goods and services (Actual Based Market Method):
        i. Changes in the value of the production
        ii. Loss of Earning Methods
    b. Assessment of costs using actual market prices against environmental protection:
        i. Averted Defensive Expenditure Methods
        ii. Replacement Cost
        iii. Shadow Project Methods
        iv. Cost effectiveness analysis
    c. Using Surrogate Market Based Methods;
        i. Goods that can be marketed as a substitute for the environment
        ii. Value ownership approach
        iii. Another approach to land value
        iv. Travel Cost
        v. Wage Differential Methods
        vi. Acceptance of compensation / reparation
2. Survey Orientation Approach

a. Direct question of willingness to pay

b. Direct Inquiry on Willingness To Accept

Non-market valued economic valuation techniques can generally be classified into two groups. The first group is a valuation technique that relies on implicit pricing, where the WTP is revealed through a developed model. This technique is often called a technique that relies on revealed WTP (paying desire is revealed). Some of the techniques included in this first group are travel cost, hedonic pricing, and a relatively new technique called random utility model. The second group is a valuation technique based on a survey in which the willingness to pay or the PAP is obtained directly from the respondent, which he orally disclosed either verbally or in writing. One of the most popular techniques in this group is the so-called Contingent Valuation Method (CVM) and Discrete Choice Method (Fauzi, 2010 in Ermayanti, 2012).

Classification of non-market economic valuation could be seen in Figure 2.4 below:



Source: Fauzi (2010)

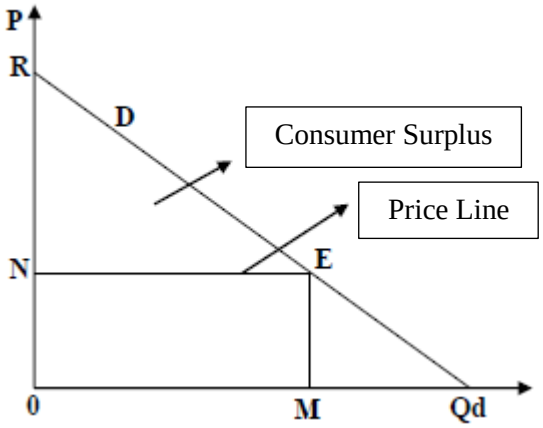
FIGURE 2.4

Classification of *Non-Market* Valuation

9. Consumer Surplus

Samuelson and Nordhaus argue that consumer surpluses are the difference between the amount paid by the buyer for a product and a willingness to pay. Consumer surplus arises because consumers receive more than what is paid and this bonus is rooted in the marginal utility law that is declining. The incidence of consumer surplus is due to consumers paying for each unit based on the last unit value. Consumer surplus reflects the benefits

obtained because it can buy all units of goods at the same low price level (Salma and Indah, 2004).



Source: Djiono (2002)

FIGURE 2.5

Consumer Surplus

Information:

OREM : Total Utility/ability to pay consumers

ONEM : Cost of goods for consumers

NRE : Total Value of consumer surplus

Figure 2.5 shows that the willingness to pay is in the area under the demand curve. The demand curve measures the amount that consumers will pay for each unit consumed. The total field under the demand curve (OREM) shows the total utility the consumer obtains for the consumption of an item or

is a measure of total WTP because the sum is the sum of the marginal values of Q from O to M by subtracting the cost of a good for the consumer (ONEM), the value of consumer surplus is shown as the triangle field of NRE and is the measure of willingness to pay above the expenditure of cash for consumption (Djijono, 2002).

10. Travel Cost Method (TCM)

The Travel Cost Method is the basic concept of travel cost method that is the time and expense of travel expenses (Travel Cost Expenses) that must be paid by the visitors to visit the tourist spot which is the price for access to tourist attractions (Garrod and Willis, 1999). That sense is called Willingness To Pay (WTP) which is measured based on the difference in travel costs.

The approach used to solve the problem through travel cost method according to Garrod and Willis (1999), namely:

a. Individual Travel Cost Zone Approach (A Simple Zonal Travel Cost Approach), using secondary data and data collection from visitors by area of origin.
b. The Individual Travel Cost Approach, using survey data from individual visitors.

Research using Individual Travel Cost Methods is usually conducted through a survey of visitor questionnaires about travel costs to be spent on tourist sites, visits to other tourist sites (Substitute sites), and socioeconomic

factors (Salma and Indah, 2004) .The data is then used to decrease the demand curve in which the consumer surplus is calculated.

Suparmoko (2000) says that the cost of travel method has been widely used in estimating the value of a recreational park using various variables. The First collected data on the number of park visitors, travel expenses incurred, as well as other factors such as income level, education level and possibly religion and culture as well as ethnic groups and so on. The data or information was obtained by interviewing the recreational park visitors regarding their mileage to the recreational park location, the travel expenses incurred, the length of time spent, the travel destination, the average income level, and other socioeconomic factors (Salma and Indah, 2004). The demand function of a recreational activity by the method of travel expenses through an individual approach can be formulated as follows (Fauzi, 2004):

$$Vij = f (Cij, Tij, Qij, Sij, Fij, Mi)$$

Where:

Vij: number of visits by individual i to place j

Cij: travel expenses incurred by individuals i for visit location j

Qij: respondent's perception of the environmental quality of the place visited

Sij: Substitution characteristics that may exist in other areas

Fij: factor of facilities in area j

Mi; income from individuals i

All methods can basically be used to calculate the economic value of a region. Someone who do tourism or recreation activities certainly do the mobility or travel from home to the tourist object and in carrying out the activities of the perpetrators require the costs to achieve the purpose of recreation, so travel costs (Travel Cost) can provide a positive correlation in calculating the economic value of a tourist objects which is already running and developing (Igunawati, 2010).

11. Total Economic Value (Total Economic Value)

Total economic value is the values contained in a natural resource both use value and functional value (Djijono, 2002). The total economic value can be written in the mathematical equation as follows:

TEV = (DUV + IUV + OV) + (XV + VB)

Where :

TEV: Total Economic Value.

DUV: Direct Use Value.

IUV: Indirect Use Value.

OV: Option Value.

XV: Exsistence Value.

VB: Beques Value (Inherited Value).

Total economic value (TEV) is basically the same as net benefit obtained from natural resources, but in TEV the value consumed by an individual can be categorized into two components: use value and non-use value (Susilowati, 2002).

1. The first component of use value is defined as the value an individual obtains over the direct utilization of natural resources where the individual is directly related to natural resources and the environment.

   Use value in more detail is classified again into direct use value and indirect use value.

   a. Direct use value refers to the direct use of resource consumption such as fishing and agriculture.
   b. Indirect use value refers to the perceived value indirectly to the public on goods and services produced by natural resources and the environment. For example, flood prevention and nursery ground functions of an ecosystem (eg mangroves).

2. The second component of non-use value is the value given to natural resources for its existence even though it is not consumed directly. This component is difficult to measure (less tangible) because it is based on preference to the environment compared to direct use.

This non-use value category is divided into sub-classes namely existence value, bequest value and option value.

a. Existence value is basically an assessment provided with the preservation of natural resources and the environment.
b. Bequest value is defined as the value given by the present generation by providing or bequesting resources for future generations (unborn).
c. Option value is more defined as the value of resource maintenance so that options to exploit for the foreseeable future are available.

B. Previous Study

As a comparative analysis in this study, it can be known the significance of previous research with research to be conducted, both in theory, methodology and others include:

Based on a study conducted by Yuwana (2010) entitled "Analysis of Visitation of Tourism Object of Dieng Plateau Area of Banjarnegara District" with the number of visits to Dieng Plateau attractions as the dependent variable and travel costs to Dieng Plateau attractions, travel to other tourist objects (Baturaden), visitor age, average income per month and distance are independent variables. The analytical tool in this research is multiple linear regression with the number of visits to Dieng tourist attraction as the dependent variable, while there are five variables as independent variable, that is travel cost to Dieng

Plateau attraction, travel cost to other tourism object (Baturaden) the age of visitors, the average income per month and distance. The results showed that of the five independent variables in the regression equation, two of them are not significant ie age and distance variables. This is seen from the probability of significance far below the level of significance of 0.05 so it can be concluded that the variable number of visits Dieng Plateau attractions are partially influenced by the variable cost of travel to the Dieng Plateau attractions, the cost of travel visitors to other attractions (Baturaden) and average earning variables per month.

The research conducted by Tazkia (2012) at Kalianget Hot Water Tourist Attraction is one of potential tourism object in Wonosobo regency because it has the second largest visitor number after Dieng Tourism Object. The objective of this research is to know the factors that influence the demand of the visit to Kalianget Hot Water Bath by using Individual Travel Cost Method method. The analytical tool used is multiple linear regression with the number of individual visits as the dependent variable and the six variables as independent variables ie travel costs to tourist attraction Kalianget Hot Water (covering the cost of roundtrip transportation, consumption cost, entrance fee, parking, documentation and other costs travel costs to other attractions (Dieng), average monthly family income (IDR), distance (Km), visit group and destination of visit. The results showed two variables affect the amount of tourism demand to Kalianget Hot Water that is the cost of travel to Kalianget Hot Water and monthly family

income. The value of consumer surplus is IDR 469,475 per year or IDR 93,895.2 per visit. The ability to pay visitors to Kalianget Hot Water tourist attraction is IDR 93,895.2 per individual per one visit is still far above the average expenditure price of IDR 40,662.5. To that end, the development of Kalianget Hot Water tourist attraction needs to be improved again in addition to the management also in the optimization of its potential.

Research from Hermawan (2012) which aims to calculate the economic value as well as to know whether the cost of travel, individual income, distance, working time, age, visiting experience and the impact of eruption of Merapi affect the intensity of visiting Borobudur tourist attraction. The study was conducted in Magelang Regency, Central Java Province in 2011. The study used primary data with interview method to 150 respondents. The calculation of economic value is done by using Travel Cost Method to Borobudur Temple. Analyzer used is multiple linear regression. The results showed that the economic value of Borobudur Temple after the eruption of Merapi eruption amounted to IDR 18,172,041,544. Travel costs, average monthly income, distance, working time, age, visiting experience and impact of Merapi eruption affect the intensity of visiting Borobudur temple attractions.

Research from Khan (2006) entitled "Willingness to Pay for Margalla Hills National Park: Evidence from the Travel Cost Method." This study examines how many park visitors are willing to pay to visit the park. The annual

benefits from the park are considerable - the total annual consumer surplus or economic gain gained from recreation in the park around Rs. 23 million (USD 0.4 million). Various factors influence the value that visitors receive from the park - including travel costs, household income, and park quality. Improving the quality of the park is expected to increase recreation benefits by 39%. This study recommends that park entrance fee of Rs. 20 per person are introduced, which can be utilized for park management. This will result in almost Rs. 11 million in revenues annually, a sizeable amount of money representing about 4% of the annual budget allocated to the environmental sector in Pakistan.

Research from Major, et al (2007) which aims to examine the monetary value of Irish forest recreational use by using two different assessment methods on a single dataset - the Cost of Travel Method and the Contingent Assessment Technique - and thus test the convergent validity, ie whether consistent with each other. It was found that convergence could not be built with this data. Willingness to Pay for incoming responses is immobile and tends to group around IEP 1 per adult per trip. The TCM results from the consumer surplus, which should be the same as the WTP, are more variable depending on the samples analyzed and ranged between IEP 2.38 and IEP 5.95 per adult per trip. There is no correlation between the two variables found. There seems to be a problem in getting people to state their true WTP. This may be caused by misinterpretation of questions by respondents and also a tendency to return to the

same amount. It is also possible that respondents used their WTP responses to make political statements about expanding forest land using agricultural land. Finally, the forest in Ireland is considered a public good and consequently there is an attitude amongst the users who access it to be free of charge, which might explain the large number of protest offers.

Research from Mwebaze and Bennett (2011) entitled "valuing botanic collections: a combined travel-cost and contingent valuation survey in Australia. Economic value of biological collections in three major botanical gardens in Australia is estimated using the Travel Cost (TC) and Contingent Valuation (CV) method. The study used a cut-off data model to control the nature of integers and non-negative deductions from visits to botanical gardens in Canberra, Melbourne and Sydney. We estimate a consumer surplus value of about AUD 34 per trip to each botanical garden, bringing the total estimated social welfare of approximately AUD 96.9 million in 2010 Australian dollars. This result is relatively high compared to similar studies conducted in other countries. The willingness to pay (WTP) for entrance fees and/or higher parking fees for access to botanical gardens is also investigated. The results show a positive average PAP around AUD 3 - AUD 4 per trip per person. This finding will be useful for resource management decisions at botanical gardens and other biological collections in Australia.

C. Hypothesis

Based on the theory and previous studies, the hypothesis of proposed in this research are:

1. There is a negative influence of travel costs on the number of visits of individual tourists.
2. There is a positive influence of education on the number of visits of individual tourists.
3. There is a positive influence of Income on the number of visits of individual tourists.
4. There is a negative influence of time travel to the number of visits of individual tourists.
5. There is a positive influence of age on the number of visits of individual tourists.

D. Thinking Framework

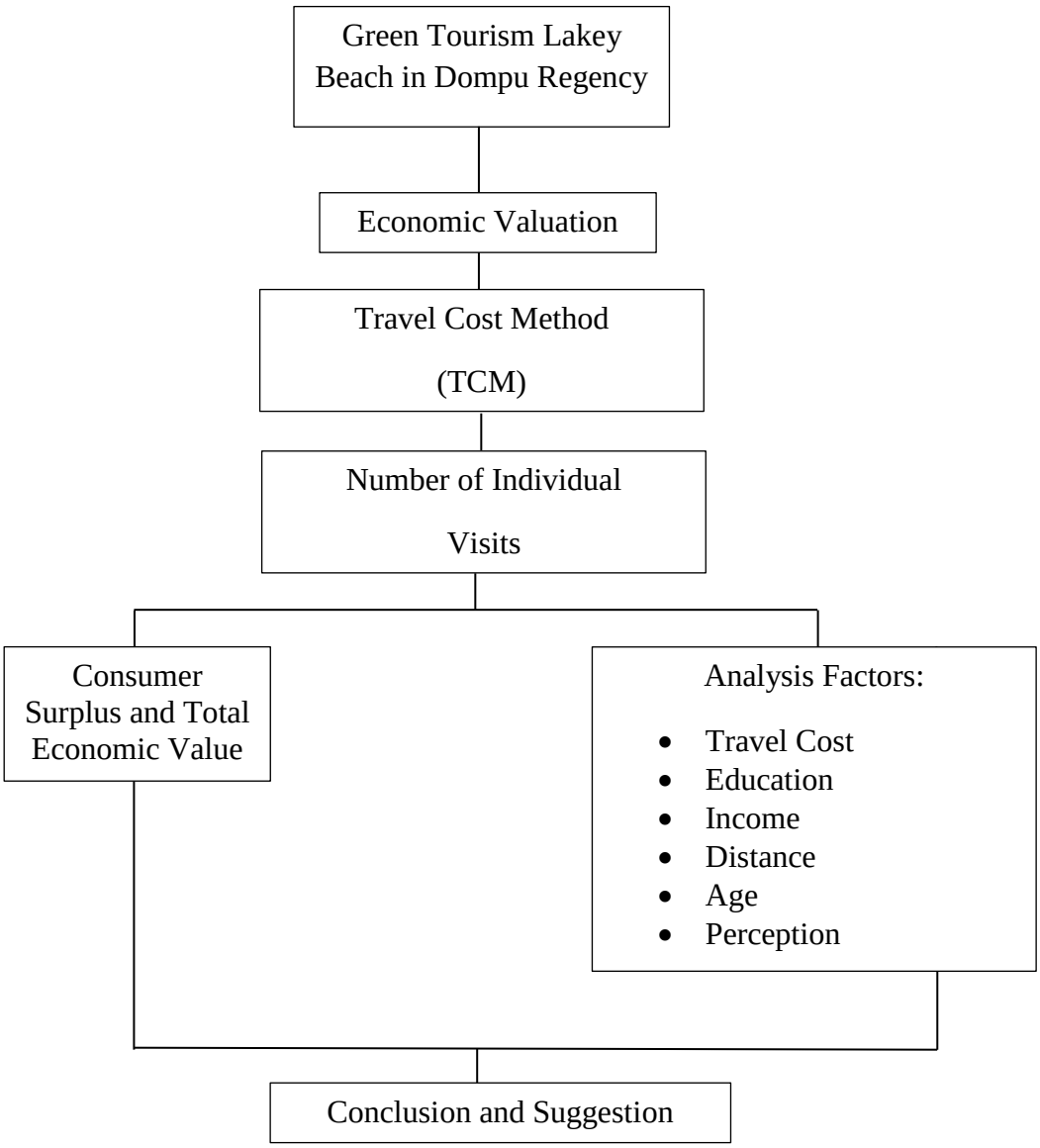


FIGURE 2.5

Research Framework