

CHAPTER II

LITERATURE REVIEW

2.1 Tourism in Yogyakarta

Tourism in Indonesia has significant growth from year to year. It can be seen from the number of guest per room in the hotel or other accommodations, and from the arrived passenger in the airport. The average guest per room at star-hotels in January 2018 was 1.89 people and non-star hotels / other accommodations were 2.03 people. The number of arrived passenger through Yogyakarta's *Adisucipto* Airport in January 2018 recorded 330,616 people consisting of 309,525 domestic passengers and 21,091 international passengers (Badan Pusat Statistik Provinsi DIY, 2018).

From the total amount of domestic travelers on 2018, there are 59.59 million people who visit Yogyakarta. Meanwhile on the 2017, there are 58 million domestic travelers in Yogyakarta. It showed increase of 2.74 percent. On the other hand, in 2018, there are 3.42 million foreign travelers in Yogyakarta. It has increase 19.5% from 2017, which there are only 2.86 million people. Yogyakarta gets the title as a Leading Tourist Destination Region because in addition to the many and varied charms of Tourism Objects and Attractions, there are also facilities and infrastructure to support tourism such as accommodation, restaurants, telecommunications, entertainment venues, souvenir shops, etc (Badan Pusat Statistik Provinsi DIY, 2018b).

The increasing amount of travelers for both domestic and foreigners showed that Yogyakarta becomes more attractive. It can be seen from the increasing tourism destinations, more choices of lodging style (star hotel, non-star hotel, and peer-to-peer accommodation). Moreover, Yogyakarta has become the famous tourism destinations, since it is well known as city of the city of struggle, the center of education and the center of education are also known for their rich natural and cultural charm.

Figure 2.1. *Number of Foreign and Domestic Guests in Non-star Hotels, 2017-2018*



Grafik 12 Jumlah Tamu Asing dan Domestik pada Hotel Nonbintang, 2017-2018
Figure 12 Number of Foreign and Domestic Guests in Non-star Hotels, 2017-2018

Source: (Badan Pusat Statistik Provinsi DIY, 2017)

As a city of struggle, Yogyakarta becomes the place where March 1 General Attack or *Serangan Umum 1 Maret* happened. March 1 General Attack was planned attacked toward the Dutch colony. This March 1 General Attack was a form of force that at the same time proved to the international world that although the Dutch colony had succeeded in occupying Indonesia's homeland, the sovereign Republican Government still existed (Badan Pusat Statistik Provinsi DIY, 2018b). Because of this attack, Indonesia can prove to the international world, that Republic of Indonesia still exist, and want to fight back the Dutch Colony. That's why this attack also eases the negotiation of *Roem-Royen* Discussion, which decides the retreat of Dutch Colony from Indonesia. This background showed one of the efforts to be freed from Dutch Colony. Therefore, many of historical sites that nowadays becomes tourism destinations such as *Vredeburg Museum*, *Monumen Jogja Kembali*, *Taman Sari*, *The Palace of Yogyakarta*, *Sonobudoyo Musuem*, *Tugu*, and many more.

Not so long time after Indonesia's independence, Yogyakarta has become the capital city of Indonesia for 4 years, from 1946-1949. The leaders of this nation were all gathered in Yogyakarta, therefore the city attracted so many youth and teens who wanted to participate in building Indonesia's after the colonial era. Therefore, the government established Gadjah Mada University, which is the first state-university after independence. After that, many institution was built, such as *Akademi Seni Rupa Indonesia* dan *Akademi Musik Indonesia* (Academy of Art and Music), and *Perguruan Tinggi Agama Islam Negeri* (College of Muslim). Soon after that, many institution was built to support the education in the Yogyakarta. Until now, many people in Indonesia will choose to go to Yogyakarta to continue their study. Therefore, Yogyakarta also well known as a City of Education. This also bring positive impact on tourism, since many student from other city would be eager to explore the tourism destinations around Yogyakarta and they could bring their family to stay in Yogyakarta, whenever they have school holiday.

Many of tourism destination also arise because Yogyakarta's people and government still preserve the traditional and real culture such as the Palace or Kraton Sutan Hamengkubowono, the latest King in Java who also become the Governor of Yogyakarta. People can still see the palace, and the pond where the queens and mistress took shower. Yogyakarta is keeping the traditional transportation which can take the travelers to go around the city, such as *Andhong* (horse-drawn carriage), and *becak*. There were also famous artist that came from Yogyakarta such as Affandi, Bagong Kussudiarja, Edhi Sunarno, Saptoto, Wisnu Wardhana, Amri Yahya, Budiani, W.S. Rendra, Kusbini, Tjokrodjojo, Basijo, Kuswadi K, Sapto Hudoyo, Nyi Condro Lukito, Ny. Kartika and others are names that have helped strengthen the existence and role of Yogyakarta as a Cultural Center (Badan Pusat Statistik Provinsi DIY, 2018b).

2.2 Homestay

Based on Badan Pusat Statistik, Pondok Wisata / homestay is an effort to provide lodging services for the public with daily payments made by individuals using residential buildings that are occupied by their owners and partially used for rent by providing opportunities for tourists to interact in their owners' daily lives (KBLI 2015). The homestay which refers to a stay at a residence by a traveler or a visiting foreign student is viewed as a mean of culture and heritage tourism emerging with traditional houses and culture of residents achieving two goals at the same time: increasing the income of host country families and encouraging them to preserve their cultural heritage by presenting their traditional houses (Y. Wang, 2007). Homestay refers to a visit to somebody's home in a foreign country which allows visitors to rent a room from a local family in order to learn local culture, lifestyle, or language. It is a living arrangement offered by a host or host family that involves staying in their furnished house or suite. According to Alastair et al, home stay business as having these characteristics: the business is run by the owner; it offers limited accommodation; it has private service people; it permits good interaction with the owner; and it offers special opportunities to learn about local environments (Alastair et al., 1996). Some researchers also identify homestay as accommodation which has less than 25 rooms. But most of all researcher stated that homestay is accommodation business which allows the travelers to have more interaction with the host. The architecture of the house is suitable with the local culture. So the travelers can feel the real ambience from the local culture. Homestays are viewed as culture and heritage tourism, which emerged with the culture of local residents (Hand-Campbell, 2009)

According to Peare and Moscardo, the specialist accommodation home stay has the following characteristics (Alastair et al., 1996): (1) Uses private service-people; travellers can have some interaction with the owner. (2) Offers special opportunities to learn about the local environments or buildings. (3) Normally, managed by the owner, not a chain store type of business. (4) Provides special activities for travellers. (5) Offers less accommodation business unit rarely owns more than 25 rooms.

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2.3 Socio-demographic

When talking about the motivation of the travelers for choosing homestay, there are some factors that affect their motivation, including the socio-demographics. The understanding of tourists' socio-demographics, including trip characteristics, is significant for tourism marketing as well as tourism management of destinations (Wongwattanakit et al., 2017). Due to the difference of socio-demographic factors also demonstrates the needs of diversifications in destination marketing and image forming efforts. When the homestay's owner understands which kind of factors from socio-demographic that are affecting the motivation of travelers, while choosing homestay in Yogyakarta, it will provide better services and facilities.

Based on (Weaver et al., 1994), age is a distinctive demographic factor that affecting destination choice. While younger people seek fun and cheap places, older people tend to seek comfort and security. Moreover, tourist under 45-year-old tend to be novelty seeking.

According to the previous studies, demographic characteristics (e.g., gender, age, income, marital status, education, and occupation) are commonly used in tourism research to investigate tourists' motivation. This study provides tourists' demographic characteristics in order to explain the relationship between socio-demographic and motivation on choosing homestay. Therefore, it is hypothesized that:

H.1: There will be impact of socio-demographic toward the motivation on choosing homestay

H.1a: There will be impact of gender toward the motivation on choosing homestay

H.1b: There will be impact of age toward the motivation on choosing homestay

H.1c: There will be impact of level of education toward the motivation on choosing homestay

H.1d: There will be impact of occupation toward motivation on choosing homestay

H.1e: There will be impact of income toward motivation on choosing homestay

H.1f: There will be impact of marital status toward motivation on choosing homestay

2.4 Travel Characteristics

The choice of the destinations and type of accommodation of the travelers lay in some factors of travel characteristics. It is determined by the characteristics of tourism destination place, the purpose of the staying, the travel arrangements, and what kind of factors considered to be the first and most important when choosing the homestay. Moreover, based on the (Aziz et al., 2018), travel characteristics are based on the family status, family decision makers, length of stay, travel arrangements, and types of accommodation. To adjust and to simply this research study, the travel characteristics will include marital status, length of stay, travel arrangements, important factor for choosing homestay, purpose of staying, tourism place destination, and province of origin. In order to explain the relationship between socio-demographic and motivation on choosing homestay, the researcher hypothesized that:

H.2: There will be impact on travel characteristics toward motivation on choosing homestay

H.2a: There will be impact on length of stay toward motivation on choosing homestay

H.2b: There will be impact on travel arrangements toward motivation on choosing homestay

H.2c: There will be impact on purpose of stay toward motivation on choosing homestay

2.5 Airbnb

Peer-to-peer accommodation differs from the traditional accommodation sector in many ways. From the supply side, the accommodation service is provided by non-professional ordinary people, with flexible inventory, low cost of market entry and the monetary exchange is usually a source of supplementary rather than primary

income(Poon & Huang, 2017). It is part of global trend known as the “sharing economy” or “collaborative consumption”(Belk, 2014). In accordance with the internet revolution, many digital platforms are emerging to meet and satisfy the demand of the targeted travelers. Many researchers said that, digital platform ease the people life. Through Airbnb, traveler can just open the website or download the app in their *smartphone*. After that, travelers set the location where they want to book. Airbnb will provide them with different styles of home and facilities. Each home, also provide availability date, so they can see the vacant day and see different price range on each day. Airbnb provide very informative tool and graphic design on its page, so travelers can easily identify facilities that provided by the host. Not only book the homestay. Through Airbnb, traveler can book local tour guide to show them the treasure that surround their homestay. They will absolutely have unpredictable experiences.

By using internet, people can start to connect with the world and achieve more advantages. Just like how the internet influences peer-to-peer accommodation. In Indonesia, especially in Yogyakarta where the tourism is one of the factor that contribute to the GDP growth, people tend to buy a house for investment but often, they didn't live in there. Rather than leaving the house empty, they turn the house into peer-to-peer accommodation. Providing the travelers place to stay and provide the sense of home, and on the other hand providing income for the home's owner.

Fortunately, as the digital industry 4.0 has established, more and more online platform that provide service to sell peer-to-peer accommodation. So does, Airbnb which is one of the digital form to choose different types of accommodation, experience and other residential options. Airbnb has become prevalent in the hospitality and tourism industry. This company has grown at a rapid rate and as a result, travelers have become increasingly comfortable with the “sharing” of lodgings at the destination (Lee & Kim, 2018). The question raised by this study is “How can Airbnb affect the motivation of the travelers when choosing homestay in Yogyakarta?” Until now, Airbnb has become the most popular sites for peer-to-peer accommodation. Airbnb is the platform where both hosts and guests can interact before making decision to

sell/purchase. This will increase the confidence of future travelers who wants to reserve shared room or before staying at the house of strangers.

Therefore, the increased interest in P2P can be explained by different motives, such as monetary benefit for both providers and consumers, lower price level, novelty and trendiness of the home sharing platforms, the desire to increase social connections, and care about ecological impact (Schor, 2015). Additionally, (Nowak et al., 2015) considered location as one of the important motivations for consumers to choose P2P accommodation. Also, according to (Chiappa et al., 2015), the main elements for customers to use peer-to-peer accommodation platforms are represented first by the financial motivation for both hosts and guests, together with the interaction with locals and sustainability.

To assess the motivation of the traveler's on using Airbnb, many researchers already developed several factors that affected the motivation. Some of the researchers insert price, household amenities, large space, authenticity, and also interacting with the locals (Nowak et al., 2015),(Chiappa et al., 2015), (N. Wang, 1999), (Hennessey, 2014), and (Tussyadiah & Pesonen, 2016) . Price (or economic benefits) has been recognized by all of the studies listed above, sometimes as the most important motivator (Nowak et al., 2015). Household amenities and space have additionally been acknowledged in several studies and actually were the two top motivations found by Quinby and Gasdia (2014). Authenticity also has been highlighted by several studies, including by Lamb (2011). (Nowak et al., 2015) also viewed interacting with locals as a part of authenticity. Finally, (Nowak et al., 2015) considered location, which they actually found to be the second most important motivation.

In this research, the study will focus on the interaction, home benefits, novelty, sharing economy ethos and local authenticity. The interaction here means that the travelers can connect directly to the host, when they want to raise some question. From the questionnaire, the researcher wanted to know whether price, location, and host interaction is the main variable that can predict motivation of travelers when choosing homestay. Summarized from the previous study, the researcher will hypothesize that:

H.3 There will be impact on Airbnb toward motivation on choosing homestay

2.6 Motivation on Choosing Homestay

The term motivation has been defined in different ways, but essentially refers to the reasons why someone engages in a particular behavior (Hawkins et al., 2007). According to Buttner and Moore, the motivations of entrepreneurs are correlated with the manner these entrepreneurs measure their business success (Buttner & Moore, 1997). According to the results of Kozak's study researching the motivation of tourism activities did help to understand travellers' main motivations and purposes; it also helped the business owner to better utilize the resources and establish a specialty of destination (Kozak, 2002). This term, is suitable with the purpose of this research. Knowing the reason why travelers choose homestay, will be beneficial for the host. The host can prepare the factors that affect the motivation of the travelers, so the homestay facilities will be suitable for the travelers.

According to Oh et al, the study of motivation is key in segmenting markets and designing promotional packages for tourists (Oh et al., 1995). However, popular among the models is (Dann, 1997) push and pull tourism motivational theory. This theoretical framework provides a useful approach for examining the motivations underlying tourist and visitation behavior (Dann, 1997) and (Crompton, 1979). At the end, the host couldn't only push the travelers to stay in their homestay. But they need to provide facilities that suitable for the travelers, which will pull them to stay at the homestay.

An interesting result obtained from study conducted by (Agyeiwaah, 2013) suggested push and pull factors as motivation for volunteer tourists to choose homestay accommodation. The most affective push factor concluded was the need of tourists to immerse themselves with local population through socio-cultural interaction and the pull factors were less pollution and interest in promoting community service & development in destination. (Chaturvedi, 2015) listed affordable accommodation,

home cooked local food, unique activities specific to particular Homestay, safety and privacy, stay as a help to host, stay at home is always a better choice as reasons for tourists to choose a homestay over a hotel accommodation.