

Determinant Of Community Preference On The Development Of Surabaya (East Java Province)Tourism

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Abstract : Regression multinomial logit was used in this study to identify factors that influence willingness to pay and interest of respondents in the development of heritage tourism in Kota Lama Surabaya. The results show that purpose of being in Surabaya, type of work, preferred type of tourism, gender, age, and income simultaneously affect the respondents' answers towards interest and willingness to pay. In the first scenario, variables that have been shown to partially affect a visitor's preferences are the purpose of being in Surabaya, preferred tours, age, occupation, and income. Meanwhile, in the second scenario, variables that have been shown to significantly affect the visitor's preference are type of job, gender, age, purpose of being in Surabaya and income.

Keyword: multinomial logit regression, heritage tourism, determinant,

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I. INTRODUCTION

A historical process produces the physical form of a unique and diverse urban area. Various forces of modernization throughout the historical process become a reflection of a city area (Mourato dan Mazzanti, 2002)¹. To achieve better urban areas, special attention is needed to the historical heritage as an effort to utilize resources in the space dimension (Bedate, et al. 2004)². Surabaya is one of the old towns in Indonesia that is rich in history as it has stood since around the 13th century. Witnesses and historical evidence of the city of Surabaya can be seen in the cultural heritage area. Surabaya has many old buildings that characterize and form the identity of the city. The existence of the old buildings means it is listed as a cultural heritage area that is considered important to be protected and preserved, but concern for the historic area of Surabaya is still limited to the city centre - precisely on Jalan Tunjungan. Meanwhile, regarding old neighbourhoods and buildings in the northern part of Surabaya, there is less concern about their existence.

Most of the old neighborhoods and buildings in the northern region are in dire condition. If the historic area is maintained and protected, it would enlarge the heritage tourism potential in Surabaya. Therefore, special attention on the preservation of cultural heritage areas and heritage tourism development is needed, especially in northern Surabaya which became the identity of the old city area of Surabaya. This concern is not only the task of the government but it needs the support and cooperation of all the people of Surabaya. As a first step, the authors conducted a study about the factors that affect the interest and willingness to pay of the people of Surabaya regarding the preservation and development of heritage tourism in the Old Town area of Surabaya. The old city of Surabaya is located in the North Surabaya area which includes Rajawali Street, Stage, Kembang Jepun, Dukuh and KH. Mas Mansyur.

The location of this study was chosen based on cultural, ethnic, and religious beliefs of the inhabitants who are characteristic of the old city. In addition to the population, the old buildings in the study site also have a variety of unique architecture that is divided into several clusters of settlements. The European settlement is on the western side of the Red Bridge or Kali Mas, while the settlement of the eastern people (Vreande Oosterlingen) is on the east side of Kali Mas, consisting of Chinese Chinatown (Chineesche Kamp) or Kembang Jepun, Arab (Arabische Kamp) or Ampel, and indigenous settlements scattered around the residential Chinese and Arab communities (Widodo, 2002). This area contains cultural heritage in Surabaya that needs to be protected, preserved and developed as a heritage tour.

II. LITERATURE REVIEW

2.1 Heritage Tourism

Some institutions have defined heritage tours using different views. The World Tourism Organization defines heritage tourism as an activity to enjoy history, nature, human cultural relics, art, philosophy and institutions from other regions. According to Boiface., et al. (1993)⁴, heritage tourism is a form of tourism that

brings together educational activities, tourism, cultural and natural preservation and economic activities. Heritage tourism is conducted in historic areas in the form of buildings, areas and objects as a result of past human works. Heritage sites are not only limited to physical form, but also include the social aspects of the community concerned.

2.2 Heritage Tourism Demand

According to Sinclair and Stabler (1997)⁵, tourism demand is based on a person's own budget, which is key to tourism demand. People will consider their budget and decide whether it will be used for tourism activities or to meet other consumption needs. Tourism activities will create demand for tourist activities conducted by tourists who will require good service goods or services. Among the different conditions, the combination between pariwisata? and other needs is possible. All possible combinations depend on the budgetary limits they have in order to maximize satisfaction.

III. METHODOLOGY

1.1 Data Source

Primary data in this study is cross section data obtained from respondents' answers through filling in questionnaires. The number of data samples from the valid respondents amounted to 62 questionnaires. The data contains the objectives of being in Surabaya, the preferred type of tourism, age, occupation, gender, and income of respondents as independent variable inputs related to interest and willingness to pay of respondents for the preservation and development of heritage tourism in the old city of Surabaya.

1.2 Method of Analysis

The data obtained were analyzed qualitatively and quantitatively. Processing and data analysis is done manually using computers with program Stata 13 and Microsoft Office Excel 2007. Regression method used is multinomial logit. Multinomial logit method is an analysis used to see the opportunity of using free variables with continuous response (numerical or ranking) or categorical (nominal or ordinal) to estimate the chance of an outcome (Alamsyah et al, 2010)⁶.

Socio-economic variables, especially the individual income, age, and gender of the respondents are important to be included in the research to see the behavior of the community towards the preservation and development of heritage tourism sites of cultural heritage sites in the old city of Surabaya. It will also show what factors influence the level of awareness of a person to the environment such as historical / cultural heritage for future generations (Dunlap and Liere, 1978)⁷.

1.3 Model Analysis

The general empirical estimates used to determine WTP welfare are measured by:

$$WTP_i = X_i\beta + \varepsilon_i$$

Where X_i the vector of the explanatory variable, β is the parameter vector and ε_i is an error term. The parameters of this equation can be estimated by the maximum likelihood method (Sellar, et al., 1986)⁸.

The aggregate WTP estimates depend on both benefit types per person or household and number of beneficiaries. Benefits gained from the preservation of cultural heritage areas are based on the number of specific groups of respondents. The aggregate benefit can be estimated as follows: $B_{total} = \sum_{j=1}^m n_j \times B_j$

Where, $j = 1 \dots m$ is the group of respondents, n_j is the number of individuals or households in groups j and B_j is the WTP average of group j .

The final model of statistics with Multinomial Logit Regression contains the interest and willingness to pay of respondents as the dependent variable expressed in the questionnaire. Multinomial logit regression can estimate the most influential factors (independent variables) on the assessment of interest and willingness to pay by the people of Surabaya, for both permanent or non-permanent residents. The basic model used can be expressed as follows: $WTP_{ij} = \alpha + \beta_1(tjn) + \beta_2(wst) + \beta_3(us) + \beta_4(pkj) + \beta_5(jk) + \beta_6(pdptn) + \varepsilon_i$

WTP_{ij} = interest and willingness to pay individual i on the group of respondents j ; α = constant; β_{1-5} = parameters of each independent variable; tjn = purpose of being in Surabaya; wst = the preferred type of tour; us = age; pkj = type of work; jk = age; $pdptn$ = income; ε_i = error term

1.4 Operational Definition

(1) Purpose of being in Surabaya (tjn).

This variable is measured by dummy variable "0" for "not tour", "1" for "tour". This is related to the respondent's purpose for staying in Surabaya to the preservation and development of the tourism area of the old city of Surabaya.

(2) Preferred type of tour (wst)

Types of tourism preferred by the respondents around cultural heritage sites in the old city of Surabaya.

(3) Age (us)

Age is one of the socioeconomic indicators used to see the linear relationship between the effect of age on respondents' interest and willingness to pay. The age of the respondent is calculated on the basis of the last birthday with a unit in a year with an age limit of more than 17 years.

(54) Type of work (pkj)

This variable is measured by dummy variable "0" for "non civil servant", "1" for "civil servant". The type of work is related to the concern of the respondents towards the existence of the old city area of Surabaya.

(5) Sex (jk)

The sex of the respondents around the cultural heritage sites in the old town of Surabaya. Variable is measured using dummy variable "0" for "male" and "1" for "female".

(6) Income (pdptn)

Average monthly income of respondents around cultural heritage sites (cultural heritage).

(7) Interest and willingness to pay (WTP)

The interest and willingness of respondents to pay for heritage tours in the old city of Surabaya is estimated by the willingness of the respondent to spend the cost for the tour package ticket by using the questionnaire technique directly: the estimated value is calculated in rupiah (Rp).

IV. RESULT AND DISCUSSION

Scenarios 1 and 2 in this study each reflect the state of the research object in the present situation and the future parable to know the response of the respondents in answering the questionnaire. Scenario 1 is the state of the present research object without any changes and improvements. Meanwhile, scenario 2 is a parable of the state of the research object that has been improved and developed for a better tourist attraction. The simultaneous test is also performed on the model by looking at the chi-square probability value. The probability Chi^2 shows the values of 0.003 and 0.000 which means the multinomial logit model in scenarios 1 and 2 is also statistically significant. This shows that all independent variables on the model are simultaneously significant in affecting the dependent variable. Based on pseudo R^2 , it shows that the diversity of preferences of respondents' willingness to pay for heritage tours can be explained by the variables in the model of 26.24% in scenario 1 and 37.19% in scenario 2. Although the value of pseudo R^2 , is below 50%, it is still valid to be analyzed because research on cultural heritage relates to human behavior that has high uncertainty in the future so that it can be tolerated up to 15% (Mitchell and Carson, 1989)⁹. If we look at the difference in the value of pseudo R^2 between the two scenarios, then the model looks much better used in the second scenario than the first scenario. This can be caused by various conditions in the process of collecting respondent data, such as the level of interest of respondents in one scenario only, so it tends to be more focused in answering the questions in the second scenario.

Based on Table I that describes the results of multinomial logit regression in the first scenario, the variable of purpose of being in Surabaya has a significant positive influence on selection preferences, but not on being willing to pay the interest in heritage tourism with current conditions. Based on measurements RRR (Relative Risk Ratios) in scenario 1, the tendency of respondents who have a goal to travel in Surabaya to preferences interested but not willing to pay is 3.468 times the respondents who have a purpose not to travel in Surabaya. However, as a tourist, some of them will tend to save their budget so they are interested but are not willing to pay.

The purpose of being in Surabaya variable is also positively significant to the preference and willingness to pay for heritage tour packages with the present conditions. The value of RRR in purpose of being in Surabaya to preference and willingness to pay for heritage tour packages with the present conditions shows that the tendency of respondents who have a purpose to travel in Surabaya to preference and willing to pay is 33,653 times that of respondents who have the purpose of being in Surabaya not to travel. Although the condition of some historical and cultural heritage sites in Surabaya is quite uncertain, most people consider that it is unique and attractive to tourists.

Preferred type of tour variable has a positive influence on the preference of interested but not willing to pay for a heritage tour package with current conditions. Based on RRR measurements in scenario 1, the trend of respondents who liked historical and cultural tours to interested preferences but not willing to pay was 4.34 times of respondents who disliked historical and cultural tours. This can be due to the fact that someone who has

a fondness for historical and cultural tourism will tend to be interested in visiting the Old Town area of Surabaya but is not willing to pay if the conditions of the sights are not maintained.

The age variable has a negative influence on the preference of interested but is not willing to pay for heritage tour packages with the present condition. Based on the RRR measurements in scenario 1, the younger the respondent's age, the tendency toward the preference of interest to not pay is 0.905 times greater than that of the older respondents. This variable is also negatively significant to the preference of interested and willing to pay for heritage tour packages with the present condition. The RRR value on the respondent's age variable to the preference of interested and willing to pay for heritage tour packages with the present condition shows that the tendency of respondents who are of a younger age is 0.752 times that of the respondents who are of an older age. This may be because young respondents will tend to like touring and exploring to gain new experiences in life so they choose to be interested in visiting the Old Town area of Surabaya. However, some prefer not to pay and some choose to be willing to pay; this is possible because of differences in respondents' incomes. Respondents' income variable correlated positively to the interested preference and willing to pay heritage tour package with current condition.

TABLE I. RESULT OF MULTINOMIAL LOGIT REGRESSION FOR SCENARIO 1

Independent Variable	Not interested	Interested but not willing to pay	Interested and willing to pay
Purpose of being in Surabaya	<i>Based Outcome</i>	<i>Coef.</i> = 1,2436 <i>P > z </i> = 0,101 <i>RRR</i> =3,4684	<i>Coef.</i> = 3,5134 <i>P > z </i> = 0,087 <i>RRR</i> = 33,5631
Type of work		<i>Coef.</i> =-0,5008 <i>P > z </i> = 0,569 <i>RRR</i> = 0,6060	<i>Coef.</i> = 2,8034 <i>P > z </i> = 0,092 <i>RRR</i> = 16,5022
Preferred type of tour		<i>Coef.</i> =1,4679 <i>P > z </i> = 0,057 <i>RRR</i> = 4,3404	<i>Coef.</i> = 0,9861 <i>P > z </i> = 0,438 <i>RRR</i> = 2,6808
Sex		<i>Coef.</i> =-0,1313 <i>P > z </i> = 0,851 <i>RRR</i> = 0,8768	<i>Coef.</i> = -1,3574 <i>P > z </i> =0,283 <i>RRR</i> = 0,2573
Age		<i>Coef.</i> = -0,0991 <i>P > z </i> = 0,052 <i>RRR</i> = 0,9056	<i>Coef.</i> = -0,2851 <i>P > z </i> =0,081 <i>RRR</i> = 0,7519
Income		<i>Coef.</i> =-1,03x10 ⁻⁷ <i>P > z </i> = 0,819 <i>RRR</i> = 0,9999	<i>Coef.</i> = 8,17x10 ⁻⁷ <i>P > z </i> = 0,047 <i>RRR</i> = 1,0000
<i>Prob > Chi²</i>		0,0033	
<i>Pseudo R²</i>	0,2624		

Based on scenario 2, the type of work variable has a negative relation to the preference of uninterested and not willing to pay for the heritage tour package if there is a change in the condition of the old city area of Surabaya. Based on RRR measurements in scenario 2, the tendency of respondents who work as non-civil servants (non Civil Servants) to unwilling preferences and not willing to pay is 3 ^ (- 10) times that of the respondents who work as civil servants. This shows that respondents who do not work as civil servants are likely to not like the cultural heritage or heritage tourism that characterizes the uniqueness of the region.

Type of work variable is also negatively significant to interested preferences but not willing to pay for heritage tour packages if there is a change in the condition of the old city area of Surabaya. The value of RRR on job variables to the interested preference but not willing to pay for a heritage tour package if there is a change in the condition of the old town area of Surabaya indicates that respondents' tendency to work as non-PNS to the preference but not willing to pay is 0.17 times that of respondents who work as Civil servants. Based on these results, it is seen that respondents who do not work as civil servants have more disinterest for the typical tourist areas, such as historical and cultural heritage, despite the improvement and development of heritage tourism. If respondents who do not work as civil servants are interested in heritage tourism then they are not willing to pay. Next, theex variable has a positive influence on the uninterested preference and not willing to pay for heritage tour packages if there is a change in the condition of the old city area of Surabaya. Based on RRR measurements in scenario 2, the trend of female respondents to the uninterested preferences and not

willing to pay was 4,501? male respondents. This is because men have more curiosity towards tourist attractions than women.

Age variable has a positive relationship to the preference of not interested and not willing to pay for heritage tour package if there is a change of condition of the old town area of Surabaya. Based on RRR measurements in scenario 2, the higher the respondent's age, the tendency to choose unwilling preferences and not willing to pay is 1.173 times greater than the respondents of a younger age. Older age respondents are not so interested in heritage tours and based on data are more likely to favor nature tourism. The age variable is also positively significant to the interested preference but who are not willing to pay for a heritage tour package if there is a change of conditions of the old city area of Surabaya. The RRR value of the respondent's age variable to the interested preference but not willing to pay for the heritage tour package if there is a change in the condition of the old urban area of Surabaya shows that the trend of respondents' age to the preference of interested but not willing to pay is 1.07 times younger respondents. This shows that the respondents of an older age are not so interested in the Surabaya Old Town area, different from the respondents of a younger age. However, they are interested in heritage tours that have been developed but they still are not willing to pay.

The purpose of being in Surabaya variable is negatively related to the interested preference but not willing to pay for heritage tour packages if there is a change in the condition of the old city area of Surabaya. Based on RRR measurements in scenario 2, the tendency of respondents who have no destination to travel to in Surabaya to preference but not willing to pay is 0.053 times that of the respondent who has a travel destination in Surabaya. This can be caused by the fact that someone who is in Surabaya not to travel may not be so interested in doing heritage tours so they tend not to be willing to pay.

Income variable is negatively related to the interested preference but not willing to pay for heritage tour packages if there is a change in conditions of Surabaya old town area. Based on RRR measurement in scenario 2, the tendency of respondents who have low income to interested preferences but not to pay is 0.999 times that of high-income respondents. This is very relevant to the reality in everyday life that a low-income person is more likely to want good quality travel but without paying and allocating his or her opinion to other more important needs.

TABLE II. RESULT OF MULTINOMIAL LOGIT REGRESSION FOR SCENARIO 2

Independent Variable	Not interested	Interested but not willing to pay	Interested and willing to pay
Purpose of being in Surabaya	Coef. = -21,8382 P > z = 0,994 RRR = 3,28x10 ⁻¹⁰	Coef. = -2,9313 P > z = 0,004 RRR = 0,0533	<i>Based Outcome</i>
Type of work	Coef. = -2,9836 P > z = 0,022 RRR = 0,0506	Coef. = -1,7667 P > z = 0,053 RRR = 0,1708	
Preferred type of tour	Coef. = -0,9975 P > z = 0,466 RRR = 0,3687	Coef. = -0,5890 P > z = 0,517 RRR = 0,5548	
Sex	Coef. = 1,5689 P > z = 0,125 RRR = 4,8015	Coef. = 0,3661 P > z = 0,644 RRR = 1,4421	
Age	Coef. = 0,1602 P > z = 0,032 RRR = 1,1737	Coef. = 0,0676 P > z = 0,208 RRR = 1,0700	
Income	Coef. = -5,79x10 ⁻⁹ P > z = 0,987 RRR = 1	Coef. = -6,56x10 ⁻⁷ P > z = 0,148 RRR = 0,9999	
<i>Prob > Chi²</i>	0,0000		
<i>Pseudo R²</i>	0,3719		

V. CONCLUSION

The results of multinomial logit found that purpose of being in Surabaya, the type of work, the preferred type of tourism, gender, age, and income simultaneously affect the visitor's preferences on aspects of heritage tourism. This is seen in the probability *Chi²* which shows the values of 0.003 and 0.000, which means

the multinomial logit model in scenarios 1 and 2 is also statistically significant. The model is much better used in the second scenario compared to the application in the first scenario seen in pseudo R ² 226.24% in scenario 1 and 37.19% in scenario 2. In the first scenario, one by one, the variables that have been shown to significantly affect the visitor's preference are the objectives of being in Surabaya, the preferred tour, the age, the type of work, and the income. In the second scenario, one by one, the variables that have been shown to significantly affect the visitor's preference is the type of work, sex, age, destination in Surabaya and income.

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