

Tourism Management of Pandawa Beach Tourism Destination in Bali: Increasing Tourist Satisfaction and Loyalty

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Abstract: Tourism sector contributed a large amount of Bali's Province Regional Income so that Bali Government always find and develop new tourism destination. Recently one of new tourism destination that well known in Bali is Pandawa Beach. A long ago, Pandawa beach located at South Bali was a centre of seaweed cultivation. This beach was developed inclusively being a new tourism destination. This study aims to build a proper marketing strategy for Pandawa Beach in order to increase tourist satisfaction and loyalty and also preserve the sustainability of its biodiversity. Data was analyzed by SEM and PLS Method. The results showed that the attraction of Pandawa Beach, biophysical quality and service quality have a positive and significant impact on tourist satisfaction and loyalty. So that, Pandawa Beach management have to focus on conserving the attraction, preserving its biodiversity, and providing high quality of service. The implication of this study is that the head of traditional village as the manager of Pandawa Beach needs to improve its management strategy by maintaining tourist attraction, sustaining the Pandawa coastal environment, and enhancing the service quality to tourists visiting Pandawa Beach.

Keywords: Coastal sustainability, Biodiversity, Pandawa Beach, Tourist destination, tourist satisfaction and loyalty

INTRODUCTION

Tourism is a service business that aims to provide benefits for tourists, local community, and local government. Tourism can provide a standard living to local community through the economic benefits yielded from tourist destinations or attractions. For local government, the development of tourism business can make a significant contribution to regional income. Tourism business is defined as an activity which intends to organize tourism services or provide attractions, tourism facilities, and other endeavors associated with the field. Based on this limitation, the tourism business can be distinguished into three groups, namely (1) tourism services business, (2) tourism business, and (3) tourism facilities business. The focus of discussion in this research is the tourism object. Marpaung (2002), states that natural attractions can be differentiated into scenery, beaches, parks, mountains, flora or fauna, and remote islands. According to Fandeli (1995), two important factors that influence tourists coming to the tourist attractions are push and pull factors. Factors that push a person to go for a sightseeing are to get rid of daily routines, polluted environment, speed of traffic, and hustle and bustle of the city. Meanwhile, the factors that pull the arrival of tourists to a tourist attraction are associated with its popularity, places that many people talked about, and being on the news.

The development of eco-tourism, or known as nature tourism, is a variant of the implementation of sustainable and environmentally friendly tourism development model which is essentially a blend of environmental conservation approach and tourism development (Whelan, 1991). One of the important principles required for the eco-tourism development model is the policy of collecting a certain percentage of the revenue earned from the tourism industry for environmental conservation. Some of the well-known tourist destinations which have successfully applied user fees for environmental conservation are Mountain Gorilla Project (MGP) in Rwanda, Saba Marine Park (SMP) in Netherland Antilles, and Chitwan National Park (CNP) in Nepal and several tourism resorts in Bali. One of the best practices of this model in Indonesia has been carried out by several resorts in Bali which have established symbiotic relationship with farmers who own the lands. The owners are granted concession fee by the resort stakeholders with the hope that they will not cut down trees around the resort, plow their lands by using machines, or convert their farms. In the meantime, they allow the hotel guests to use their rice fields as a jogging track. The pattern of this cooperation model gives benefits for both the hotel and farmers. For the hotel, the tourist satisfaction towards the natural beauty and authenticity of the rural environment positively affects the increasing number of repeaters. On the other hand, the farmers obtain additional income besides harvests in a form of concession fee from the hotel.

A research about this sustainable and eco-friendly tourism development model has been carried out at an eco-tourism object of Pandawa Beach Leisure Resort in Kutuh Badung, Bali. This eco-tourism combines tourist destination, biophysical quality, and quality of tourist services and its impact on tourist satisfaction and loyalty.

LITERATURE REVIEW

The concept of eco-tourism

According to The International Eco-tourism Society (TIES) (2006), eco-tourism is a travel activity which is presented with educational aspects in a professional manner as an economic business sector which considers the cultural heritage, participation, and welfare of local people along with conservation efforts towards natural resources and environment. Susilawati (2008) explains that eco-tourism development is the answer to minimize the risk or negative impacts of tourism industry. A good implementation of eco-tourism has the potential to give positive impacts to the environment since it can be a source of fund for conservation, increase the economic value of resources themselves, and simultaneously empower social culture of the surrounding community.

Tourist Destination

Gartner (1993) in his study of Korean tourists states that the tourist visit to Korea is pulled by tangible (e.g. shopping) and intangible attributes (e.g. local culture). Gartner further describes that the product attributes are categorized into tangible and intangible attribute. Moreover, Law (1995) presents two factors which contribute to the attraction of tourist areas, namely primary and secondary factors. The primary factor contains climate, environment, cultural traditions, traditional architecture, and natural sources of tourist areas. Meanwhile, secondary factor includes tangible and intangible goods which are directly developed by tourists such as hotels, catering, activities, and supporting attractions.

Sustainable and environment-based tourism development

Some experts of environmental impact analysis from tourism activities, Alister Mathioeson and Gepffrey (1982), argue that the principle of tourism development model are sustainability and environmentally friendly, which essentially measure the performance of tourism development itself through some of the following indicators:

- a. Physical Environment
- b. Social Culture
- c. Economic Aspect

Image and Tourist Satisfaction

Focus of the discussion in this research is the tourism object. According to Marpaung (2002), natural attractions include scenery, beaches, parks, mountains, flora or fauna, and remote islands. While Fandeli (1995) argues that the natural attractions in Indonesia can be distinguished into mountains, plateau, rivers, waterfalls, lakes, landscapes, marine, beaches, islands, hot springs, animals, plants, valleys, craters, caves, and sanctuaries. Sutisna (2003) defines image as a mental picture or concept of something, while Bennett (1995) suggests that image as consumer's perception of a product, institution, brand, company or person in accordance or not in accordance with reality. Crompton (1979) in Ahmed (1996) argues that image is a number of beliefs, ideas, impressions, and expectations that tourists have on tourist destinations. Furthermore, Kotler (2003) defines image as the number of beliefs, images, and impressions that a person has on an object. Moreover, Gronroos (1990) states that image is a reality. Therefore, image development and improvement programs must be based on reality. Simamora (2002) describes two approaches to measure consumer image, namely (1) unstructured approach which reflects the image in consumers' mind according to their own opinion, and (2) structured approach where the researcher explains the clear dimension then ask respondents to respond.

Gronroos (1990) explains four roles of image for an organization. First, image shares common expectations towards external marketing campaigns, such as advertising, face-to-face sales, and oral communication. Second, image is a filter that affects perceptions on the company's activities. Third, image is a function of consumer experience and expectations. Fourth, image has an important internal impact on management. Positive images internally tells obvious values and reinforces positive attitudes toward the organization. Related to the importance of image for tourists, Andreu *et al.* (2000) describe image as a belief and perception of people towards a tourist destination which is influenced by the growth of tourist areas or physical sources. Image is subjective thus each image accepted by tourists are different from the reality. According to Moutinho (1987), three components that influence the image form are (1) the level of knowledge towards the destination, (2) trust and attitude towards the product, and (3) the desired expectations and product.

Tourist Satisfaction, Quality Service, and Tourist Loyalty

Tourist satisfaction is the perception of tourists which are associated with emotion and rationale based on experience of the services they feel when visiting a tourist destination. Tourist satisfaction is a cognitive and affective function based on the affective evaluation they experience. David and Dominiek (2008) found in their study that satisfaction includes five factors namely environmental preservation, environmental finance, travel services, social environment, and spiritual environment. Monica (2009) further elaborates that culture and social structure have a significant influence on the development of tourism in China, hence the tourist satisfaction is the main factor which affects the tourist loyalty.

RESEARCH METHODS

Research framework

The structural model of this study illustrates the relationship between tourist attraction, biophysical quality, and quality of service with tourist satisfaction and loyalty who visited the eco-tourism object of Pandawa Beach, Bali. The structure of this study consists of five latent variables and 23 observed variables. Five latent variables which were observed are Tourist Attractions (X1), Biophysical Quality (X2), Service Quality (X3), Tourist Satisfaction (Y1) and Tourist Loyalty (Y2).

Research design

The research was designed by using descriptive and analytical approach, where description of facts were followed by analysis of significance of empirical facts found. The description includes facts of tourist attraction, biophysical quality, quality of service, tourist satisfaction, and tourist loyalty. Significant analysis was conducted to explain the effects of tourist attraction, biophysical quality, quality of service, and tourist satisfaction towards tourist loyalty.

Population and sample

The population in this study were domestic and foreign tourists who visited the eco-tourism object of Pandawa Beach, Kutuh Badung, Bali, with infinite numbers. The sample of research was domestic and foreign tourists who visited the eco-tourism object of Pandawa Beach.

Methods of data collection

The type of data collected in this study were quantitative data expressed in 5-points of Likert scale, ranging from strongly disagree to strongly agree. Data sources were domestic and foreign tourists who visited the eco-tourism object of Pandawa Beach, Kutuh Badung, Bali. The data were collected through questionnaires distribution to travelers visiting the eco-tourism object of Pandawa Beach, Bali.

Research variables and indicators

Five variables were used in this research. Each variable was translated into some indicators, as shown in Table 1.

Table 1. Research Variables and Indicators

No	Variable	Indicator	Notation
1	Tourist Attraction at Pandawa Beach (DTW) (X1)	Attraction	X1.1
		Stub Attraction	X1.2
		Easy Access	X1.3
		Price	X1.4
		Accommodation	X1.5
		Souvenirs	X1.6
2	Biophysical Quality (X2)	Environmental Sustainability	X2.1
		Coral Reefs and Seaweed	X2.2
		Beach Cleanliness	X2.3
		Security	X2.4
3	Quality of Service (X3)	Tangible	X3.1
		Reliability	X3.2
		Responsiveness	X3.3
		Assurance	X3.4
		Empathy	X3.5
4	Tourist Satisfaction (Y1)	Comfortable Environment	Y1.1
		Pleasure	Y1.2
		Complaints	Y1.3
		Experience	Y1.4
5	Tourist Loyalty (Y2)	Intent to Repurchase	Y2.1
		Purchase Frequency	Y2.2
		Recommendation of Expected Product	Y2.3
		Time of Participation for Product Activity	Y2.4

Methods of data analysis

The data analysis method used in this research were descriptive and inferential analysis. Descriptive analysis was used to describe respondents and research variables. On the other hand, inferential analysis was used to examine the relationship

among variables. The type of inferential analysis used was the Structural Equation Model (SEM) method combined with Partial Least Square (PLS).

FINDINGS AND DISCUSSION

The structural model was evaluated by considering the Q^2 predictive relevant model, which measures how well the observed value was generated by the model. Q^2 is based on the coefficient of determination of all dependent variables. The quantity of Q^2 has a value within the range of $0 < Q^2 < 1$, the closer to 1, the better the model is. In this structural model there are two dependent variables, namely: Tourist Satisfaction (Y1) and Travelers Loyalty (Y2). The value of determination coefficient (R-Square) for Tourist Satisfaction (Y1) was 0.959 while the R-Square value for Tourist Loyalty (Y2) was 0.959, hence the calculation for the value of $Q^2 = 1 - (1 - R_1^2) (1 - R_2^2)$

$$Q^2 = 1 - (1 - 0.959) (1 - 0.959) = 0.998319$$

The result of structural model evaluation proved that the value of Q^2 equaled 0.998319 was close to 1. In sum, the result of this evaluation proved that the structural model had a very good goodness of fit model. This result can be interpreted as the information contained in the data was 99.83% can be explained by the model, while the remaining 0.17% was explained by error or other factors which have not yet contained in the model.

The potential of physical nature of Pandawa Beach has proven to be an attraction for both domestic and foreign tourists. Eco-tourism of Pandawa Beach has a hilly area with cliffs and gardens of reeds and a sandy beach which obviously is a unique eco-tourism area. In addition, marine, spiritual, and educational tourism about religion, custom, and culture also enhance the tourist attraction at Pandawa Beach in Badung, Bali. The existence of monkey forest, *Yadnya* forest, Padma Buana Monument, *Pura* Walk in the form of paths on the cliff connecting three temples, attractions of art and culture, sport tourism, golf view, paragliding tourist attractions, and culinary tourism intensify the attraction of Pandawa Beach in Badung as a DTW which is highly desirable for tourists. The average number of tourist visited DTW Pandawa Beach was 3,000 people/day while during peak season season it reached 23,000 people/day.

The potential of high tourist visit demanded the ability to package these resources into a highly competitive tourism product. It was a challenge and opportunity which can be devoted to the prosperity of the local community. Policies which encourage the growth of innovation for eco-tourism development at Pandawa Beach, Bali, is indispensable. Anticipating challenges of global development and responsiveness to the dynamics of tourist preferences are also significant demands to be responded in order to make it as a worth visiting eco-tourism area and becomes one of the world class tourist destinations.

Results of confirmatory factor analysis

The loading factor generated from the confirmatory factor analysis can be used to determine which indicators are the strongest influence of the latent variables. One indicator which produces the biggest loading factor is defined as the most powerful indicator affecting the latent variables concerned. The complete results of confirmatory factor analysis are presented in the PLS Diagram (Figure 1). The PLS diagram indicated that the strongest indicator which influences the Pandawa Beach destination is Accommodation with loading factor of 0.881 then followed by Attractions with loading factor of 0.858, and Souvenirs with loading factor of 0.830. On the other hand, the weakest indicator are Easy Access and Price with loading factor of 0.762 and 0.737.

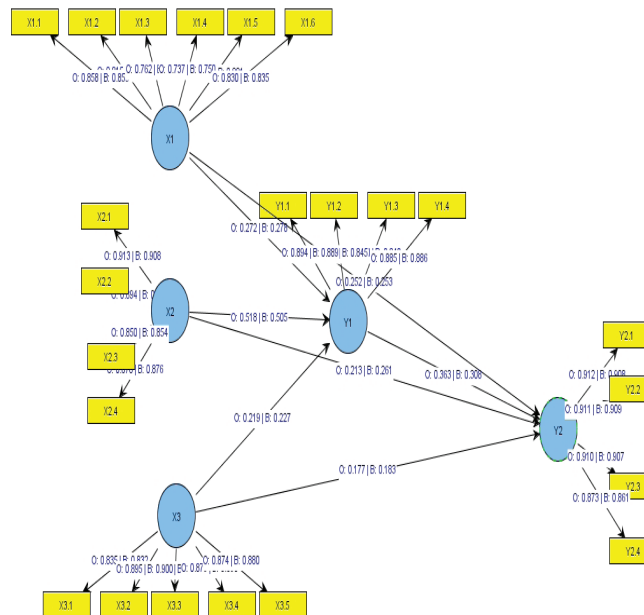


Figure 1. The PLS Diagram

The environmental Sustainability of Pandawa Beach is the strongest indicator which influences the Biophysical Quality of Pandawa Beach Eco-tourism with the loading factor of 0.913 followed by the sustainability of Coral Reefs and Seaweed with the loading factor of 0.894, while the weakest indicator which affects the Pandawa Beach eco-tourism are Tourist Security and Beach Cleanliness with loading factor of 0.878 and 0.850 respectively.

Reliability is the strongest indicator affecting Service Quality with loading factor of 0.895 followed by Assurance and Empathy with loading factor respectively of 0.879 and 0.874. The weakest indicator affecting Service Quality are Responsiveness and Tangible with loading factor respectively of 0.868 and 0.835.

The comfortable Environment is the strongest indicator which influenced Tourist Satisfaction with loading factor of 0.894, followed by Whole Experience Feeling and Fun with loading factors respectively of 0.885 and 0.861. Complaints is the weakest indicator affecting Tourist Satisfaction with loading factor of 0.840.

Intent to repurchase is the strongest indicator affecting Tourist Loyalty with loading factor of 0.912 then followed by Purchase Frequency and Recommendation of Expected Products with loading factor respectively of 0.911 and 0.910. Meanwhile, the weakest indicator which influences the Tourist Loyalty are Time of Participation for Product Activity with loading factor of 0.873.

The results of inter-relationships testing

The testing of inter-relationships in the model was conducted through path coefficient of each relationship among variables at a specific significant level based on T-Statistics.

Considering the PLS diagram (Figure 2), the result of path coefficient validation test on each variable is can be described as follows:

1. Tourist Destination of Pandawa Beach (X1) has a significant positive influence towards Tourist Satisfaction (Y1). This result is shown by path coefficient which has a positive value equals 0.272 with T-Statistic equals 2.550 >

- 1.96. Similarly, Pandawa Beach Tourist Attraction (X1) has a significant positive effect on Tourist Loyalty (Y2) where its path coefficient is positive of 0.252 with T-Statistic equals $2.787 > 1.96$. It can be inferred that based on Hair *et al* (2010) criteria, Tourist Satisfaction is a partial mediation causing the influence of Tourist Attractions on Tourist Loyalty. These results indicate that the more attractive Pandawa Beach, the bigger tourist satisfaction and loyalty are. It is supported by Liao (2012) findings at Leisure Resort Enterprise where Brand Image - equivalent to Tourist Attraction has a positive and significant impact on Tourist Satisfaction.
2. The Biophysical Quality of Pandawa beach (X2) has a significant positive effect on Tourist Satisfaction (Y1). This result is indicated by the positive path coefficient with the value of 0.518 and T-Statistic equals $7.404 > 1.96$. Moreover, the Biophysical Quality of Pandawa beach has a significant positive effect on Tourist Loyalty (Y2) where its path coefficient is of positive value equals 0.213 with T-Statistic value equals $2.136 > 1.96$. According to Hair *et al.* (2010) criteria, Tourist Satisfaction is a partial mediation influence of Pandawa beach on Tourist Loyalty. These results indicate that the better the Biophysical Quality of Pandawa Beach, the higher Tourist Satisfaction and Loyalty are. The results of Lee's (2017) study support the results of this study where environmental factors are significantly considered by tourists who travel to any tourist destinations as shown in Destination Image. Destination Image comprises some variables: ecological landscape, diversity of environment, species diversity, leisure fisheries, ecological interpretation, and ecological experiences. They have positive and significant impacts on Tourist Satisfaction. On the other hand, Liao's (2012) study has some limitations as environmental factors (biodiversity) was not included. Yet, environment is a factor which has a very significant effect on Tourist Satisfaction and Loyalty.
 3. Quality of Service (X3) has a significant positive effect on Tourist Satisfaction (Y1). This result is shown by a positive path coefficient of 0.219 with T-Statistic equals $2.436 > 1.96$. Furthermore, Quality of Service (X3) also has a significant positive effect on Tourist Loyalty (Y2) with a positive value coefficient of 0.177 with T-Statistic value equals $2.549 > 1.96$. Hair *et al* (2010) state that Tourist Satisfaction is a partial mediation influence of Quality of Service to Tourist Loyalty. These results illustrate that the better the quality of service which included tangible, reliability, responsiveness, assurance, and empathy dimensions to tourists visiting Pandawa Beach, the more tremendous Tourist Satisfaction and Loyalty are. The findings are also supported by Liao's (2012) research which used SERVPERF method with tangible, reliability, responsiveness, assurance, and empathy dimension (Parasuraman *et al.*, 1985; Bindu *et al.*, 2009). They indicate that quality of service which includes dimensions of tangible, reliability, responsiveness, assurance and empathy have a significant positive effect on Tourist Satisfaction and Loyalty. The results of this research identify that Quality of Service is a crucial factor affecting the Tourist Satisfaction and Loyalty. Thus, managers of tourist attractions must provide the best quality of service for tourists.
 4. Tourist satisfaction (Y1) has a significant positive effect on Tourist Loyalty (Y2). This result is shown by its path coefficient with positive value of 0.363 and T-Statistic within the range of $2.614 > 1.96$. It identifies the higher the satisfaction of tourists, the higher their loyalty. This finding is supported by Liao's (2012) research which states that Tourist Satisfaction influences Tourist Loyalty. Hence, if the manager of a tourism object wants to increase the Tourist Loyalty, they should focus on tourist satisfaction, including satisfying experience which can be felt by tourists when they visit the attraction. Moreover, this finding is also supported by Lee (2017) where tourist satisfaction is very effective in predicting the tourist behavior, in accordance with some previous studies on recreation and tourism (Yoon and Uysal, 2005; Lee, Graefe, and Burn, 2004; Yuksell and Yuksel, 2007). Similarly, the results of Ramseook-Munhurrun *et al.* (2015) found that the satisfaction of tourists positively and significantly affect their loyalty in the case of tourist attraction in Mauritius.

CONCLUSION AND IMPLICATION

The results of this study indicate that the attraction of Pandawa Beach in Bali, biophysical quality and service quality have a positive and significant impact on tourist satisfaction and loyalty. The results of this research is supported by Liao

(2012) where tourist satisfaction influences tourist loyalty. Hence, if tourist attraction managers want to maintain the tourist loyalty, they must focus on conserving the attraction, preserving its biodiversity, and providing maximum quality of service to the tourists who visit Pandawa Beach, Bali. The tourist satisfaction will increase as tourists gain a satisfactory experience while visiting Pandawa Beach in Bali. The results of this study is also supported by Lee (2017) where tourist satisfaction can significantly predict the tourist behavior, as confirmed by some other previous research (Yoon and Uysal, 2005; Graefe and Burn, 2004; Yuksell and Yuksel, 2007).

The implication of this study is that Pekraman Kutuh Village, Badung, as the manager of Pandawa Beach needs to improve its management strategy by maintaining its tourist attraction, sustaining the Pandawa coastal environment, and enhancing the service quality to tourists visiting Pandawa Beach. The tourist satisfaction will escalate as they have satisfying experience. Further, tourist loyalty will also be demonstrated as the desire to revisit Pandawa Beach, recommend it to families, friends, neighbors, and acquaintances, and participate actively in the management of Pandawa Beach emerge.

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