INCREASING AWARENESS OF NEW INDONESIA TOURISM DESTINATION THROUGH DIGITAL DISTRIBUTION CHANNEL AS THE ECONOMIC EQUALITY

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Abstract

Indonesia`s tourism industry can be one of the main economic drivers in Indonesia. The government should support this industry since Indonesia is one of the favorite tourist destinations in the world. Indonesia has great tourism resources since Indonesia is an archipelago country. Promotion becomes the main problem to develop the Indonesia tourism industry. The promotion budget for the tourism industry is considered as large. The development of ICT can be a solution to reduce the promotion budget. The emergence of digital distribution channels is predicted can be a solution since it can be used as a distribution channel and promotional channel. This research is focusing on increasing the Indonesian tourism industry in order to achieve economic equality. Linear regression analysis is being used to find the correlation between digital distribution channel preferences and Indonesia tourism awareness. The result is both direct and indirect digital distribution channel has a positive and significant impact on Indonesia tourism awareness. It shows that digital distribution channel in the tourism industry has an important role in increasing awareness of Indonesia tourism.

Keyword: Digital Distribution Channel, Awareness, Tourism Industry

1.   INTRODUCTION

Indonesia is a country that has been a tourism destination in the world. The tourism industry in Indonesia held a huge impact on Indonesia`s economy through the increasing of GDP. Indonesia's tourism industry is predicted to be the main driver of Indonesia`s economic development in the future (Pramudita, 2018). Indonesia's Tourism sector is growing rapidly in recent years. Indonesia`s tourism industry growth is in the amount of 10.9% in 2015-2017 under the increasing of foreign tourists 22% and domestic tourists 3.1% per annum (SINDO News, 2018). With those amounts of growth, the tourism industry in Indonesia still has the possibility to be developed more.

Accommodation is one of the most important aspects of the tourism industry (Magombo, 2011) (Poudel, 2013) (Jovanović, 2016) (Camilleri, 2018). Accommodation in the tourism industry becomes the basic need for tourists to visit a tourism destination. Based on the report of the Ministry of Tourism and Creative Economy (Kemenpar), accommodation budget proportion is 42% from the total traveling budget in 2015 (Lembaga Penyelidikan Ekonomi dan Masyarakat FEB UI, 2018).

Table 1 Budget Travelling Proportion

No	Product	Proportion
1	Accommodation	42%
2	Restaurant and related	20%
3	Domestic Transportation	13%
4	Travel agents and guides	2%
5	Arts, culture, recreation and entertainment services	4%
6	Other tourism services	1%
7	Souvenir	5%
8	Health and beauty	2%
9	Non-food product	10%
10	Agricultural product	2%

Source: (Lembaga Penyelidikan Ekonomi dan Masyarakat FEB UI, 2018)

It is a fact that accommodation in tourism destination has a big role in order to develop tourism destination in Indonesia. Tourism destinations will be difficult to develop if accommodation is still limited.

Indonesia tourism destination is still lack of awareness. Only several tourism destinations that are known to the world, such as Bali. Indonesia, as an archipelago country, has a lot of potential tourism destinations. The development of tourism destinations can lead to the economic development in the region. Promotion becomes an important activity to introduce a new tourism destination.

The government held a significant role to support the tourism industry (Kunst, 2011) (Ramukumba, 2016). Since the tourism industry in Indonesia has a good potency, the Indonesia government is also focusing to develop tourism industry through the Ministry of Tourism and Creative Economy. Indonesia`s tourism destination is lack of awareness especially from foreign tourist (Afriyadi, 2016). In order to overcome that problem, the Ministry of Tourism and Creative Economy has to launch its strategy to support the tourism industry (Liputan 6, 2018).

Indonesia's government already spent large capital to support the tourism industry. Most of the budget is spent to promote tourism destinations.

Table 2 Government Tourism Development Spending Proportion

Activity	Proportion (%)
Tourism Promotion	40,5
Planning and	22,9
Tourism Statistics and	8,9
Research and	15,0
Information services	4,7
Tourist Security and protection	1,5
Supervision and regulation	2,2
others	4,2

Source: (Lembaga Penyelidikan Ekonomi dan Masyarakat FEB UI, 2018)

Tourism promotion is considered as important to promote the Indonesia tourism industry. The problem is whether the promotion has already been done effectively and efficiently. Since the ICT (information, communication and technology) has been developed well in the world, promotion through digital media can be done in order to decrease the promotion budget. The young generation is considered to be the existing and future potential customer in the tourism industry (Buffa, 2015). In order to reach them, digital media is one of the most important media (Pramudita, Yanuar, & Hilman, 2019). A new promotion strategy should be considered in order to reach the customer effectively and efficiently.

The new business model has been shifted since the ICT been developed. In the tourism industry, the emergence of online travel agents become a game-changer. Furthermore, hotel aggregator also emergence after the development of an online travel agent. Online travel agent and hotel aggregator is considered to be similar.

Accommodation needs in tourism destinations become the main driver of those business models booming. Tourists should not be worried if they are planning to visit a new tourism destination. It becomes the effective media to sell accommodation services and can be treated as a distribution channel for accommodation in digital media or it can be called a digital distribution channel.

One distribution channel function is promoting products or services. It becomes a potential media to promote and distribute products or services at the same time. The online travel agent has variant information which can be hitch to promote the destination as well. Tourism digital distribution channels can be divided into direct and indirect digital distribution channels. The direct digital distribution channel is through the company`s website while an indirect digital distribution channel is through an online travel agent. Both of them has a different characteristic. Even though, both of them have the same function which is as promotion media and distribution channel.

The use of digital distribution channels can reduce promotion costs (Nguyen, 2013). This research objective is to find which of the digital distribution channels (direct or indirect) can implicate Indonesia`s tourism awareness. Awareness becomes an independent variable because it is one of the biggest problems in Indonesia`s tourism.

2. METHOD

The impact of a digital distribution channel to awareness of Indonesia`s tourism is being explored in order to prove the hypothesis. the hypothesis is digital distribution channels have a significantly positive impact on Indonesia`s tourism awareness. Indonesia`s tourism awareness is being explained by brand awareness concept since tourism destination is representing as a brand (Veríssimo, Tiago, Tiago, & Jardim, 2017). Digital distribution channel in the tourism industry is being explained by the selection of accommodation in a tourism destination. There are several accommodation types that can be chosen which are hotel (1-5 stars), hostel, guest house, inn, and motel. The development of the tourism industry is driven by the availability of accommodation (Khanalizadeh, Kakaei, & Daneshzad, 2018).

Consumer consciousness is driven by environment and marketing efforts (Kotler, 2007). The digital distribution channel is a part of marketing effort especially in the tourism industry. Digital distribution channels in the tourism industry can raise customer`s awareness of the existence of tourism destinations. That is the reason why accommodation`s promotion is also important to promote a tourism destination. In the tourism industry, some of the accommodation`s promotion is embedded with its distribution channel. One distribution channel`s function is a promotion (Kotler & Keller, 2012). Based on those statements, it is a fact that accommodation`s distribution channel can also play a part as a promotion channel.

Accommodation`s distribution channel can be described as a direct and indirect distribution channel. Direct distribution channels for accommodation are going show and through the company`s website while indirect distribution channels are through a travel agent, mediator, and online travel agent (Choi & S., 2004). This research is only focusing on the digital distribution channel which is the company`s website and online travel agent.

Correlation of digital distribution channel to Indonesia tourism awareness is being explored by linear regression analysis. The population of this research is the domestic and international tourists who already visited Indonesia. The sample size is looking at Isaac and Michael's sampling table which is 349 respondents. Likert scale is being used in the questionnaire. Even the Likert scale is still debatable which categorize into ordinal or interval data, linear regression analysis still can be used to analyze the

data but caution. The result of linear regression analysis cannot be interpreted as it is. The main purpose of using linear regression analysis is only to determine the impact (significant or not significant correlation; positive or negative correlation) of each variable not to forecast its score. As a result, the decision can be made for government and accommodation practices either they need to focus on digital distribution or not.
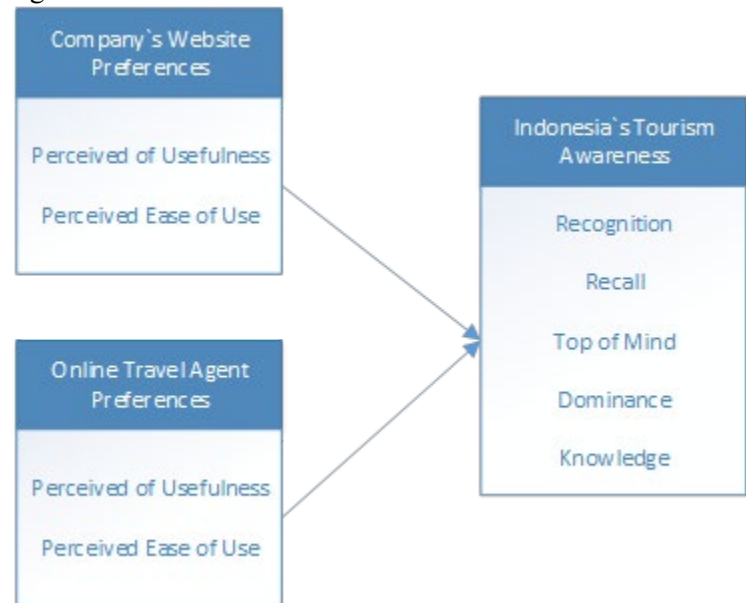

Figure 1 Conceptual Framework

3. FINDINGS AND ARGUMENTS

In order to do linear regression analysis, reliability, validity, and classical assumption test should be done in order to make sure that the data is ready to be processed. Data from the questionnaire already been tested and the result is valid, reliable and fulfills the classical assumption requirement. It is shown that the data can be analyzed by linear regression analysis.

The determination coefficient result can be seen in the table below.

Table 3 Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.718ª	.516	.514	.32685

a. Predictors: (Constant), OnlineTravelAgent, CompanyWebsite

The determination coefficient is predicted by the proportion of independent variable s impacted by its

dependent variables. The determination coefficient is shown by R square. Based on the result above, it can be seen that the amount of R Square is 0.516 in another meaning it is shown that the company`s website and online travel agent variable can predict variable Indonesia`s tourism awareness by 51.6% while the rest can be predicted by other variables.

The result of linear regression analysis can be seen in the table below.

Table 4 Result of Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.37	0.07		33.99	0
CompanyWebsite	0.24	0.013	0.627	19.2	0
OnlineTravelAgent	0.15	0.02	0.238	7.283	0
a. Dependent Variable: Awareness					

Based on the result above, it showed that both of the company`s website and the online travel agent has significantly affected Indonesia`s tourism awareness. Furthermore, both variables (company`s website and online travel agent) have a positive correlation to Indonesia`s tourism awareness. Linear regression analysis using the Likert scale should be interpreted carefully. The amount of B (beta) should be ignored in this research since the data is on the Likert scale. Those B`s scores are meaningless in this research. The purpose of this research is only to find the correlation between the dependent and independent variables. The conclusion of linear regression analysis can be seen in the table below.

Table 5 Result Conclusion

	Company`s Website	Online Travel Agent
Indonesia`s Tourism Awareness	Significant and positive correlation	Significant and positive correlation

The company`s website and online travel agent are included in the digital distribution channel in spreading accommodation in the tourism industry. Based on the result above, the company`s website and the online travel agent is significantly and positively impacted Indonesia`s tourism awareness. It can be

concluded that the digital distribution channel has a significant role in increasing awareness of Indonesia`s tourism. It is suitable for other researches results which show that the tourism industry is highly affected by its accommodation. Accommodation practices also need a distribution channel to sell their services. Traditional distribution channel (go show or traditional travel agent) has limited visibility for their potential customer vice versa digital distribution channel has wide visibility since it can be accessed anywhere. The government should pursue accommodation practices to sell their services in the digital distribution channel. The government can relocate its budget for tourism promotion to other supporting activities if accommodation practices can aggressively sell their services through the digital distribution channel.

Even though, the government needs to focus on pursuing accommodation practices in a new tourism destination which is still not famous. Bali, Raja Ampat, Lombok, Borobudur Temple, Wakatobi, and Komodo Island are tourism destinations that did not need to be promoted more since those places already been famous.

4. CONCLUSION

The company`s website and online travel agent have a positive and significant impact on Indonesia`s tourism awareness. The company`s website and online travel agent are considered as a digital distribution channel in the tourism industry. Based on those facts, the digital distribution channel in the tourism industry has a significant role in order to increase the awareness of tourism in Indonesia.

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