CHAPTER II

LITERATURE REVIEW

A. Theory

1. The Meaning of Tourism.

   Tourism is came from Sansakerta language that is “pari” means smooth, the means of word smooth is had a high manners and “tourism” is a visit or a trip to see, hear, and enjoyed, and learn something. So the meaning of tourism is something that presents visit that had a manners and virtuous.

   Based on Law Number 10 Year 2009 in Kartika (2010) about tourism, tourism is a wide range of tourist activities and supported a variety of facilities and services provided by communities, businesses, governments, and local governments. Based on tourist motivation and attractions of the region so travel destination tourism activities can be divided into two major groups, they are bulk tourism and special interest tourism. If the first type of tourism is more emphasized on the aspect of pleasure, then the emphasis on the second type is for experience and knowledge aspects.

   A trip is considered as sightseeing trips if they meet three they are temporary, voluntary not imposed, and it does not work that are generating wage or pay (Spilane, 1985).
Tourism is a temporary movement with the purpose is to break from the routine work activities and out of his or her place. Based on Fandeli (2000) in Yuningsih (2005) tourism is the embodiment of human life layout creation, art, history of the nation and place natural or condition that would have appeal to tourist. While the natural attraction that are the attraction from the tourist appeal of natural beauty and resources and enviromental system.

Definition of tourism according to the WTO (World Tourism Organization) in Pitana (2009) are the various activities performed by people who travel to stay out of the ordinary environment and not more than one consecutive year for pleasure, business and other purposes.

There are important factors in terms of tourism that must be met in a definition of tourism. The factors that mean according Yoeti (1995) in Selviana (2012), are :

1) The trip is done temporary.

2) The trip was carried from one place to another place.

3) the journey must should always be associated with recreation.

4) A person who made the journey does not aim to make a living or make something to work in a place that she or he visited and the porpose of recreation is as consumers.
2. The Kind of Tourism.

Every tourist has different motives in travel. The difference purpose resulted various types of Tourism. According Spillane (1985), in particular, the type of tourism can be classified as follows:

a. **Pleasure Tourism**

   This form of tourism is done by people who leave their homes to tour, looking for a new fresh air, to calm nervous tension, to see something new, enjoy the beauty of nature and to know the history of the local people. This type of tourism involves many elements gratification levels based on the character and nature that different.

b. **Recreation Tourism**

   This kind of tourism is done by people who want to take advantage of his day of rest, to recover the physical and spiritual freshness and want to refresh physical fatigue and they stay as long as possible for the enjoyment of the necessary (such as, in the beach or in the mountains).

c. **Cultural Tourism**

   Cultural Tourism is usually characterized by a series of motivations, such as the desire to learn the centers of teaching and research, to learn the customs, institutions, and ordinances of life of a region or to visit historical monuments and others.
d. Sport Tourism

This kind of tourism is aimed for those who want to practice by her or his self for many kinds of sports. This type of tourism is conducted in the presence of major sporting events like the Olympic Games, World Cup, and others. Where these events not only attract the athlete but also the audience.

e. Business Tourism

This type of tourism is a trip for something that related to the job or position that does not give the tourists a choice selection of destinations and travel time.

f. Convention Tourism

Conventions are often attended by hundreds and even thousands of participants who usually stay a few days in the city or the host country.

Mappi (2001: 30-33) in Ermayanti (2012), the object of tourism is divided into three categories, they are:

a. Natural attractions, for example: sea, beaches, mountains, lakes, rivers, fauna, flora, nature reserves, protected areas, and others.

b. Cultural attractions, for example: traditional music, traditional clothing, ceremonies of birth, traditional dances, marriage customs, traditional ceremonies, historic buildings, cultural heritage, historical
heritage, cultural festivals, traditional performances, local customs, museums and others.

c. Artificial attractions, such as: facilities for sports games (kites), entertainment (comedy, magic or acrobatics), recreation parks, shopping centers and others.

3. **Element of Tourism.**

   They are five element of industry tourism that are important (James J. Spilanne, 1987) they are:

   a. Attractions

      Attraction can be classified into two parts, they are site attraction and event attraction. Site Attractions is a permanent attraction and the location is permanent that is the tourist places in tourist destinations such as the zoo, museum and palace. While the event is attractions that are temporary, and location can be changed and moved as easily as fairs, festivals, or performing arts area.

   b. Facilities

      Facilities tend to be oriented on the appeal at a location because the facility must close from tourism location. During his or her stay in the tourist areas, tourists need a place to sleep, food and drink. Therefore, it is necessary lodging facilities and support industry (souvenir shop, laundry, guide, local festivals and others).
c. Infrastructure

If attractive tourist destination more interesting it will raise the number of tourists that visiting, then by itself will encourage the development of infrastructure.

d. Transportations

Advances in the field of transport is very important in supporting the growth of tourism, because it determines the distance and time of journey some travel, transportation either by land, air and sea transport.

e. Hospitality

Tourists who were there in tourist areas require assurance of security especially for foreign travelers who require an overview of destinations that they will visit.

4. Forms of Tourism.

Based on Pendit (1999) forms of tourism are classified into five categories, they are:

a. Based on the origin of tourists

If tourists come from domestic tourists means that only moved temporarily within the territory of his own country for traveling is called domestic tourists. Meanwhile, if the tourists come from abroad its called international tourists.

b. Based on the Impact of Balance of Payments
Tourist that comes from abroad will bring foreign currency. Where foreign exchange revenue has positive effect on the balance of foreign payments of a country that is visited by tourists, this is called active tourism.

While the journey of a citizen to abroad will negatively affect the country's balance of foreign payments and its called passive tourism.

c. Based on Period

The arrival of tourists in a region or country are also calculated according to the length of stay in the area or the country that concerned. This raises a term that called the short-term tourists and long-term tourists.

d. Based on The Amount of Tourists

This form of tourism is distinguished by the number of tourists who come, whether tourists come alone or with a group. So it is appears the term that called single tourism and group tourism.

e. Based on instruments measuring used

Tourism is divided into air tourism, marine tourism, tourist train and car, depending on travelers using any vehicle.

5. **Benefits of Tourism.**

Tourism give a positive impact on development sectors, they are:

a. Economy side
Tourism can stimulate economic growth with the growth of some particular economic efforts that support each other, it can expand the basic economy of a country.

b. Maintenance and Utilization of the Environment Side

Development of tourism if developed properly and efficiently and see the effects on the environment so it will make the environment or local tourism good or environmentally friendly. Because tourists who visit the area want the new atmosphere and clean and healthy environment. Conversely, tourism development that has less organized and not efficient will destroying the environment. If it happens, it will have an impact to tourists who want to visit these tourist areas.

c. Cultural Side

One of the factors that tourists visited some area of tourism is to explore or admire the art and culture of the areas visited and satisfy curiosity.

d. Expanding job competence

The tourism industry is the industry that are labor intensive. When a series of labor in the industry it is supporting tourism industry such as souvenir stores, hotels, handicrafts and so on, then the amount of labor that is absorbed more and more.
e. Extending the values of social life and knowledge

The relationship between visitors and the society around attractions tourism will create new values in the sense of expanding the horizon of personal views on values of other life, fiber absorption of new knowledge.

f. Supporting the improvement of health and work performance

Perceived busyness of everyday can lead boredom, of course it raises the desire crave a new atmosphere, a new environment even if only for a while. Because people want regardless of saturation.

6. **Concept Willingness To Pay**.

Willingness to pay is a method to measure how much the price of losses incurred due by population, but we can not directly determine the market price (Suparmoko 2008 in Damar 2015). Willingness to pay is the maximum amount that are willing to be paid by someone to obtain good quality services.

Environmental economic assessment is to obtain the benefits and costs of an activity that is impacting on the environment. The benefit is an incredible word which economists provides technical sense. When the quality of the environment is good so the people can take a benefit, otherwise when the environment becomes worse in quality so the value or benefits will be reduced (Arimurtty, 2015 in Sasmi 2016).
Willingness to pay is also referred to as the maximum price consumers are willing to pay for goods and services and measure the consumers value to pay for goods and services, in other words can be defined to measure the marginal benefit from consumer (Fembriantyerry P in Prasetyo 2012).

The consumer surplus is the difference between the amount paid by the buyer for the product and willingness to pay. Consumer surplus arises because consumers received more than they paid and this bonus is rooted in the law of diminishing marginal utility. The emergence of consumer surplus it is because of consumers pay for each unit based on the value of the last unit. The consumer surplus reflects the benefits because they could buy all the units of goods at the same low price level. In simple terms the consumer surplus can be measured as an area located between the demand and the price line (Samuelson and Nordhaus in Prihadi, 2015).


Most of the economic value associated with the tourism service is what economists call non-market value. There are no formal markets for such things as recreation opportunities, clean air, and wildlife habitat so there are no clear “prices” for these goods as there are for market goods like clothing and cars. Economists must measure the value of non-market goods using techniques which do not rely on market prices. This can be
done either indirectly or directly. Indirectly measures of non-market value offer the value of the good in question by using the expenditure as an approximation such as travel cost method. A direct method to measure non-market values are also called stated preference because these techniques involve directly asking survey respondents about their willingness to pay or their preferred alternative such as contingent valuation method. CVM is a method whereby survey respondents are asked to indicate their willingness to pay for a non-market good like a recreation experience or passive use values such as existence value, option value or bequest value (Haefele, et al., 2012).

Economic value is a measure of what the maximum amount an individual is willing to forego in other goods and services in order to obtain some good, service, or state of the world. This measure of welfare is formally expressed in a concept called Willingness to Pay (WTP). A common difficulty in understanding economic valuation is distinguishing between what something is valued by individuals and what its economic value really is (Lipton, et al. 1995).

According to Lipton (1995), the characteristics of Economic Value as follows:
a. Products or services have value only if human beings value them directly or indirectly.

b. Value is measured in terms of trade-offs and therefore relative.

c. Typically, money is used as a unit of account.

d. To determine values for society as a whole, values are aggregated from individual values.

Total economic value, the most common and most appropriate framework for aggregating the value of ecosystem goods and services (including non-market goods and services) is total economic value (TEV). This approach does not necessarily assess the total value of an ecosystem, but rather allows changes to be calculated for all values (use and no-use values) associated with one or several ecosystem functions. TEV can be assessed as willingness to pay (WTP) or willingness to accept (WTA) payment. WTP is a more common method, as more tools for estimating economic value are relevant to this approach (Horowitz 2002).
Direct use value refers to the value derived from the direct use or interaction with ecosystem-based provisioning services, for example food and water, and some cultural services for example is recreation. Indirect use value refers to the value derived from regulating services for example is climate control, waste assimilation, water quality, and supporting services for the example is nutrient cycling. Option value refers to the value derived from the option to make use of a resource in the future. Non-use (also referred to as “passive use” values) are derived from benefits associated with a resource or ecosystem-based service. These values include existence
value (sometimes referred to as intrinsic value), which is the value derived from knowing something exists; bequest value, which is the value derived from being able to pass something on to another generation; and altruism value, which is derived from giving something to somebody else. There is a great deal of debate regarding the validity and accuracy of non-use values, but few economists would deny their existence (Cummings 1995); (Johansson 1992); (Loomis, et al. 2000).

Economic valuation of environmental goods and services arise from increased demand for environmental goods and services due to a decrease in the availability of resources and the natural environment from time to time.

Economic valuation related to specific analytical methods to obtain a quantitative value of goods and services produced by natural resources and the environment both based on the market value and non-market value.

Economic valuation is defined as an attempt to provide a quantitative value of goods and services produced by natural resources and the environment, as well as the market value and non-market value. Economic assessment of economic resources is an economic tools that uses standard valuation techniques to estimate the monetary value of goods and services supplied by a natural resource. The
purpose of economic assessment is used to indicate the relationship between natural resource conservation and economic development. Hence, economic valuation can be an important equipment to increase an appreciating and public awareness of the environment Fauzi (2005).

Economic valuation method estimates the economy of a nature tourism based on ratings given to each individual or society to the costs incurred to visit a natural tourism, whether it’s an opportunity cost and direct cost incurred such as transportation, accommodation, consumption and others. These valuation techniques were attempted in this research to estimate the economic value of Pangandaran Beach, West Java.

8. **Contingent Valuation Method (CVM).**

In general, economic valuation of resources techniques that are not marketable (non-market valuation) can be classified into two groups. The first group is a valuation technique that relies on implicit price where the willingness to pay (WTP) is revealed through the developed model. This technique is often referred as revealed WTP. Some technique that included in this first group is the Travel Cost Method and Hedonic Pricing. Travel Cost Method is commonly used to analyze the demand for tourist facilities. By knowing the pattern of costs incurred by the visitors who came to some tourism attractions, it can obtained the
given values by visitors to the tourism or attractions sites. The average tourist spot that can be evaluated is related with nature and the environment. Hedonic Pricing assumes that the worse an environment can affect a property's value. A simple example is the price of land in a district or region can decrease because the land in that area is prone to flooding or landslides.

The second group is a valuation technique that is based on a survey in which the willingness to pay or WTP is obtained directly from respondents, which the respondents directly expressed orally or in writing. The popular technique is Contingent Valuation Method technique and dichotomous.

a) Concept Contingent valuation Method

Contingent Valuation Method (CVM) is a method of that use survey technique to ask people about the value or the price that they give for commodities that do not have market such as environmental goods (Yakin, 1997 in Annisa Merryana, 2009). CVM is used direct approach that basically asking the community how much Willingness to Pay (WTP) for additional benefits or how much Willingness to Accept (WTA) as compensation for environmental damage to the goods. In this study, in this research the approach is used is
WTP-CVM approach first introduced by Davis (1963) in the study of the behavior of hunting in Miami. This approach can technically be done in two ways, first by experimental techniques through simulations and games. Second, the survey technique.

In economics knowledge, the willingness to pay (WTP) is the maximum amount that someone would be willing to pay, sacrifice or exchange to receive good or to avoid something undesirable, such as pollution. This term is in contrast with willingness to accept payment (WTA), which is the minimum number of individuals are willing to accept and deliver the goods or to accept something undesirable (Turner et al, 1994 in Sasmi, 2016).

b) Advantages and disadvantages Contingent Valuation Method

According to Hanley and Spash in Prihadi, 2015, the advantages possessed by CVM approach in estimating the economic value of an environment are as follows:

1. Can be applied forced in all conditions and has two important things are often the only technique for estimating the benefits and can be applied to a variety of environmental policy context.
2. Can be used in a wide variety rating of environmental goods around the community.

3. Compared with another environmental technique assessment, CVM has ability to estimate the value of non-users, with CVM, someone might be able to measure the utility from environmental users, even though it is not use directly.

4. Although the CVM technique need competent analysis, but the result of studies is not difficult to be analyzed and not difficult to elaborated or explain.

And the weaknesses by using CVM technique is the emergence of bias in data collection. Bias in the CVM according to Hanley and Spash in Amanda, S. (2009) are as follows:

1. Bias strategic because of respondent relatively gave a small value of WTP because the reason that there were other respondents who would pay for efforts to improve environmental quality at higher prices can occur. Alternative to reduce this bias strategy is through the explanation that everyone would pay the average bid value or emphasis hypothetical nature of the treatment. This will encourage respondent to give correct value of WTP.
2. Bias design of CVM study includes the way information is presented, the instructions given, the question format, and the number and type of information presented to respondents.
   a. of survey.
3. Bias that related to the condition of the obligation of respondents (Mental Account Bias) this bias is related to decision-making step process of an individual in deciding how big the income, wealth, and the time that can be spent on specific environmental objects within a certain time period.
4. Hypothetical market error occurs when the facts are asked to respondents in a hypothetical market make the responses of respondents different from the concept that.

c) The Stage Study of Contingent Valuation Method

There are several stages in the application of CVM analysis according to Hanley and Spash in Amanda, s. (2009), they are:

1. Make Hypothetical Market

   The initial stage in the running CVM is create hypothetical market and questions about the value of environmental goods or services. The hypothetical market
construct a reason why the public should pay for a good or service environment where there is no currency value in determining the price of goods or services and environment. In the hypothetical market must describe how the mechanism of payments made. Scenario activity must be clearly outlined in the questionnaire so respondents can understand about environment and community's involvement in the plan. Moreover, in the questionnaire also need to explain the changes that would occur if there is a public desire to pay.

2. Obtain the deals value of WTP

   In determining the value of supply, there're several methods to determine the value of supply, those are:
   
   (a) Bidding Game, that is bargaining method
   
   (b) Open-Ended Question, that is open question method
   
   (c) Close-Ended Question, that is close question
   
   (d) Payment Card, a payment method as determining the value.
   
   (e) Referendum, the referendum, this method is use some payment suggested to respondents. When the questionnaire is completed made, than do a sampling. This can be done through face-to-face, interviews, with
the intermediary telephone, or mail. Interview with the telephone has become the last option considering the collection of information by telephone about some goods is quite difficult, related to time constraints. An interview by letter quite often do but has a bias in the form of no response (non-response bias) or a low response rate (low response rates). Interviews using trained staff allows for more detail questions and answers but there is possibility of bias that made by official.

3. Estimate value of WTP

After the data of WTP collected, the next stage is determining middle value (median) and the average (mean) of the WTP. The median value is used when the range value supply is far away, for example from 30 respondents, 29 respondents have a value of deals IDR.15000 but there is one respondent that has a deal value IDR.1.000.000, if the calculation of the deals value using average, then the value will be higher than actual, because of that so use middle value because not affected by a large range of deals. The median value deals is always smaller than the average value of deals.
The average value is intended to determine how much the value of WTP of individuals in the survey. Alleged average of WTP can be calculated by the formulation:

\[ \text{EWTP} = \frac{\sum_{i=1}^{n} W_i}{n} \]

Where :

- EWTP = Average Estimate
- \( W_i \) = The value of WTP to-i
- \( N \) = Total Respondents
- \( I \) = Respondents to-I that willing to pay (\( \geq 1, 2, \ldots n \))

9. Local Revenue.

Local revenue is all revenue received by the region from sources within its own territory which are levied according to local regulations in accordance with the prevailing laws and regulations (Halim, 2004: 96). Local revenue sector plays a very important role, because through this sector can be seen how far a region can finance government activities and regional development. Source of local revenue, are:

Increased Local Revenue must be done by the local government in order to be able to finance its own needs, so the dependence of local government to the central government is reduced and eventually the region
can be independent. In Act No. 33 of 2004 on the financial balance between the central government and regional governments in chapter V (five) number 1 (one) it is mentioned that the original revenues are sourced from:

a. Local tax

According to Law No. 28 of 2009, Regional Tax, hereinafter referred to as Tax, is a compulsory contribution to the Region owed by an individual or a coercive body under the Act, without obtaining direct remuneration and used for the purposes of the Region for the greatest possible prosperity people. Based on Law 28/2009, district / city taxes are divided into the following, Hotel Taxes, Restaurant Taxes, Entertainment Taxes, Advertising Taxes, Street Illumination Taxes, Non-Metallic and Rock Mineral Taxes, Parking Taxes, Ground Water Tax, Swallow's Nest Tax, Land and Rural Land and Urban Tax, and Tax on Land and Building Rights Acquisition. As with most taxes, local taxes have a dual role: As a source of regional income (budgetary), As a regulator (regulatory).

b. Levy Area

The central government re-issued regulations on Regional Taxes and Levies, through Law No. 28 of 2009. With this Law revoked Law No. 18 of 1997, as amended by Law No. 34 of 2000. The application of new taxes and retribusi One side provides local benefits with new sources of
income, but on the other hand there are some sources of local revenue that must be removed because it can not be again collected by the region, especially from local levies. According to Law Number 28 Year 2009 as a whole there are 30 types of user charges that can be collected by regions that are grouped into 3 classes of levies, namely general service levies, business service fees, and certain licensing fees.

Public Service Levies are services provided or provided by the local government for the purpose of interest and general benefit and can be enjoyed by individuals or entities.

Business Service Levies shall be local levies as payment for business services specifically provided and / or provided by the local government for the benefit of individuals or bodies.

Certain Licensing Levies are regional levies as payment for the granting of certain licenses specially granted by local governments for the benefit of individuals or bodies.

c. The result of separated property management of the property

The result of the management of separated property of the region is the regional revenue derived from the separated area wealth management. Law No. 33 of 2004 classifies types of regional wealth management results that are disaggregated, broken down according to the income object which includes the share of return on capital participation of a
regional / local-owned enterprise, share of profits on capital participation in state-owned enterprises / SOEs and the share of return on Investments in private-owned companies and community groups.

d. Other Original Regional Original Revenue

Law Number 33 Year 2004 describes the Original Regional Original Revenue, provided for budgeting of regional revenue not included in the type of tax and the result of separated regional wealth management. This revenue is also a regional revenue derived from others belonging to the local government. Law number 33 of 2004 classifies that included in the original revenues of legitimate areas include;The proceeds from the sale of regional assets are not separated. Current account service. Interest income. Profit is the rupiah exchange rate against foreign currency.

Commissions, deductions, or other forms as a result of the sale, procurement of goods or services by the government

B. Literature Review

This previous study include studies that have been conducted by other researcher in the form of regular studies, thesis and journal this existing research has underpinned the writer in the preparation of the thesis, while the previous research as follows:
The research that has been done by Sasmi (2016) with the title “The Factors that influence Willingness to Pay the Visitor of Goa Cemara with Contingent Valuation Method Approach”. The purpose of this research is to analyze the influence of level of income, age, education and cost of vocation on Willingness to Pay the visitor of Goa Cemara beach. This research is use primary data that spread to 146 respondents with random sampling technique. The Willingness to Pay is predicted by Contingent Valuation Method (CVM) in Goa Cemara beach. Based on the result of this research found that age is positive influence and has a significant on Willingness to Pay (WTP), the education variable is negative influence and significant on Willingness to Pay, and level of income variable is positive influence and significant on Willingness to Pay (WTP).

The research that has been done by El-Bekay and Moukrim (2013) with the title “An economic Assessment of the Ramsar Site of Massa (Morocco) with travel cost and contingent valuation method” . As the only protected area in the whole south west of Morocco, the Souss Massa National Park (SMNP) is characterized by a remarkable biodiversity, with more than 300 plants species, 250 bird species, 20 mammal species and also by the high diversity of its ecosystems, such as the Aragniaspinosa forest, steppes, dunes and coastal wetlands. This park can play a leading role in the region by enhancing its ecotourism potential and therefore contributing to its economic development. We intended to demonstrate in this study, by estimating the
recreational value, one popular area, the RAMSAR site of the Estuary of Massa River (EOM). It is located 50 km from the urban center of Agadir City and it attracts about 30,000 visitors a year. To determine its recreational value, the contingent valuation method and travel cost method were applied. The results from 480 surveys, conducted during 2010, showed that the consumer surplus per person per visit is estimated at DH 490,196 ($US 65.36) and the willingness to pay per visitor is about DH 46,523 ($US 6.20). According to this economic valuation, any future local development must take into account, the opportunity that EOM offers as a recreational site, with high eco tourism potential.

The research that has been done by Dewi (2016) with the title “The Analysis of willingness to Pay (WTP) the Community of Special Region of Yogyakarta on Gembira Loka Zoo Tourism”. The purpose of this research is to measure the value of Willingness to pay ticket of entrance Gembira Loka Zoo and factors that influence willingness to pay. This study analyzed by Contingent Valuation Method (CVM), this study is use primary data by giving questionnaires to 114 respondents, sampling was done by purposive sampling. The tool analysis is using SPSS 16. The result of this research showed that the age variable has no effect on willingness to pay, the income level has affect on willingness to pay, the education variable has affect on willingness to pay, and the distance variable has affect on willingness to pay. The value of Willingness to pay IDR 19,614, with a total value is IDR 2,236,000.
The research that has been done by Prihadi (2015) with the title “The Factors that Influencing The Willingness To Pay For Quality Improvement in Dieng Tourist Attraction of Wonosobo Regency and Banjarnegara Regency A Case Study of Kaliasa Archeological Museum Contingent valuation Method”. This research aims to discover whether gender, frequency of visits, length of visits, length of education, age and income influence willingness to pay in the effort to improve environment quality of tourist attraction of Kaliasa Archeological Museum in Wonosobo and Banjarnegara Regency. This research used primary data with interview method of 77 respondents. The calculation of the fees that visitor were willing to pay for environment quality improvement of kaliasa Archeological Museum was conducted using Contingent valuation Method approach. Multiple regression model was used to analyze the research. The result of this research showed that gender, frequency of visits, length of visits, length of education, age and income are influence willingness to pay in the effort of improvement environment quality of tourist attractions of Kaliasa archeological Museum in Wonosobo and Banjarnegara Regency.

The research that was conducted by Suja et.al.,(2007) with the title “The Economic Value of The Lake Buyan-Tamblingan Area as A Place Interest Bali An Environmental Economic Study”. Research was conducted at Buyan-Tamblingan lake natural tourism area in Sukasada sub-district, Buleleng regency, Bali, from January to May 2007. Objective of this research are: 1) To
account economic value and the total economic value of Buyan-Tamblingan lake natural tourism area as a tourist object in Buleleng regency; 2) To find out of conservation efforts conducted by government and public around Buyan- Tamblingan lake area. The research use traveling cost (TC) approach to estimate of economic value (UV), willingness to pay (WTP) to measure of non use value, and descriptive-qualitative method to analyze of Buyan- Tamblingan lake area Management. Accidental and purposive sampling method used. The Research showed that mean of traveling cost is IDR 4,867,469. The mean of nominal willingness to pay per visit per year or non use value is IDR 5,368,317,000. The sum of use value (UV) and non use value (NUV) said total economic value (TEV) is IDR 10,535,787,050. The approach to manage Buyan-Tamblingan Lake properly as a place of interest, have been conducted between Governmental. Private sector tourism entrepreneurs and local customary village. The management of tourism area needs to be improved so that the area will still be in good condition to achieve sustainable development.

The research that has been done by Nuva and Samsudin (2009) about “Willigness To Pay Towards the Conservation Ecotourism Resources at Gunung Gede Pangrango National Park, West Java, Indonesia”. The objective of this study are to determine the visitors willingness to pay for conservation of the resources at Gunung Gede Pangrango National Park (TNGP), and to determine the satisfaction of visitors towards the use of the ecotourism
resources of the park. The dichotomous choice Contingent Valuation Method (CVM) was employed to determine the willingness to pay (WTP). A total of 423 respondents were interviewed face-to-face to collect the data. The results show that most visitors are satisfied with the ecotourism resources in TNGP, many of the visitors have come to TNGP more than once. In order to sustain the benefits derived from the resources at the park, the visitors agree that various organization involved must cooperate to conserve and protect the ecotourism resources. The economic benefit of conservation of the ecotourism resources at TNGP was measured using the visitors’ WTP for higher entrance fee to the park. A logit regression model was used to determine visitors’ willingness to pay. The results indicate that income, gender (male) and residential (urban) were the significant factors that influencing the visitors’ WTP for the entrance fee to TNGP. The mean WTP is found to be IDR 7629.77 per visit. It is estimated that in 2004 the benefits of conservation of the ecotourism resources in TNGP amounts to IDR 452 million.

The research that has been done by Bal and Mohanthy (2014) about “Determination of Willingness to Pay for Entrance Fee to national Park: An Emphirical Investigation”. This paper examine the determinants og willingness to pay (WTP) of Bhitarakanika National Park (BNP), Odisha in India. Primary data has been collected from the visitors through survey method. This research used multiple regression model to determine the WTP for the entrance fee at BNP. This research showed that income, age, day spent,
martial status, and travel cost have positively significant relationship with WTP, and gender is negatively affecting to WTP. The researcher of this research suggested to raise the entrance fee from Rs.20 to Rs.40 which can raise the park revenue of BNP.

The research that has been done by Kartika (2014) with title “The Factors that Influence Willingness to pay of Keraton Yogyakarta Visitors For Heritage Tourist Object Preservation in Yogyakarta “. The purpose of this research to analyze the impact of level of income, age, education, the number of dependent child, cost of recreation, and visit frequency on willingness to pay (WTP) visitors of keraton Yogyakarta. This research is use primary data with interview method to 150 respondents of vistors keraton Yogyakarta which selected randomly. Willingness to pay is predicted by Contingent Valuation Method (CVM). Based on the result of analysis showed that level of income, is positive influence and significant on WTP, cost of recreation is positive influence on WTP and visi frequency is positive influence and significant on WTP. While age is negative influence and significant on WTP.

The Research that has been done by Majid (2008) with the title “ Analysis Willingness To Pay the visitors of Situ Babakan Tourism for improvement environmental in Central Jakarta “ in her study said that the factors that influencing the size of Willingness To Pay are level of income, recreation fee and frequency of visit. Willingness To Pay (WTP) value that can be used as a benchmark in situ babakan levy fund is IDR 2104.65 per person. By
Willingness To Pay (WTP) value that offered by the respondent then obtained the estimated proceeds of IDR 23,603,603 per month.

C. Hypothesis

1. Age has positive and significant impact on Willingness To Pay (WTP) of Pangandaran Beach visitors.

2. Income level has positive and significant impact on Willingness To Pay (WTP) of Pangandaran Beach visitors.

3. Education has positive and significant impact on Willingness To Pay (WTP) of Pangandaran Beach visitors.

4. Recreation fee has positive and significant impact on Willingness To Pay (WTP) of Pangandaran Beach visitors.

5. Visit frequency of visits has positive and significant impact on Willingness To Pay (WTP) of Pangandaran Beach visitors.

D. Research Framework