EXECUTIVE SUMMARY

FARADESI ARDIALISA, 2012. Analysing Sustainability of Tourism Business, a Case Study of Pancawati Group, Bogor-West Java. Under the supervision AJI HERMAWAN and M.A CHOZIN.

Three important pillars of sustainable development are to deliver benefit of economic, social, and environment. These are also applied in tourism; which is the largest industry in the world, represents approximately 11% of world’s GDP and employs almost 8% of world’s workforce (UNEP, 2002). In Indonesia, tourism gave the highest contribution in Indonesia GDP growth in 2011. After Bali island, West Java is the second popular destination. This can be seen in foreign tourists arrival data based on arrival port. Bogor has magnificent number of natural resources that are potential to be developed into tourism business. The need of business model development has been identified as the general gap in ecotourism development in Indonesia, specifically in Bogor. However, there are no agreed indicators that can be used to determine whether an ecotourism business is indeed sustainable. The values of sustainability are often invisible which hinder the attractiveness of the business to the investors.

The objectives of this study were to understand indicators of business sustainability tourism from stakeholders’ perspectives in relation to 3P (People, Planet, Profit) and to understand how the concept of sustainability is operationalized in the Pancawati group. Requirements of sustainability of ecotourism that the author used were based on World Tourism Organisation (2002) recommendation combined with the research done by Bhattacharya (2007). People: Includes local and indigenous communities in its planning, development and operation, and contributing to their well-being (WTO, 2002). Planet: Contributes actively to the conservation of natural and cultural heritage, Interprets the natural and cultural heritage of the destination to visitors (WTO, 2002), Communities are an integral part of ecotourism ecosystem who can help sustain ecosystem, and communities should have greater voice in development and conservation of their natural resources (Bhattacharya, 2007). Profit: Lends itself better to independent travellers, as well as to organised tours for small size groups (WTO, 2002), Communities are to be affected first by any influences of ecotourism destination areas (Bhattacharya, 2007).

This research is a descriptive practice-oriented business research with single case study. The research design used a single case study strategy. The case selection of the research was based on the assumption of the subject (Lembur Pancawati) as having a good practices of the sustainable ecotourism from in which the sustainability is being operationalized in the business, or even to discover other factors that promote the business image in the place. Sampling method used in the research was purposive sampling in order to deliberately select non-random fashion in looking at stakeholders perspectives on tourism sustainability. Respondents in this research were divided into three groups: (i) participants of stakeholder forum, (ii) participants of round table, (iii) stakeholders
of Pancawati Group. Based on the stakeholder analysis in Bogor tourism, the indicators of sustainable business in tourism are: (i) involvement from local people, (ii) preservation of nature and local culture, (iii) availability of nature education program, (iv) strong commitment from business owner/leader, (v) sufficient capital to support the initial business establishment, (vi) availability of various networks.

Six indicators, which were constructed in previous chapter, were observed in Pancawati Group. From six indicators of sustainability in tourism business, none of which Pancawati Group has not implemented them. Indicator (i) involvement from local people, (iii) availability of nature education program, and (iv) strong commitment from business owner/leader, were partially implemented. Indicator (ii) preservation of nature and local culture, (v) sufficient capital to support the initial business establishment, and (vi) availability of various networks were already fully implemented. Pancawati Group as multiple stakeholders indicated that it played as main firm in the value chain. This gave the business potential role in building up competences without endangering the existing VC relationship, building product development, and building marketing strategies to improve the ability to make new products (Humphrey 2004).

By using the existing network, Pancawati Group could form a partnership in creating education program that could promote better human resources from local people. Public-private-partnership will be ideal to convey the suggested partnership required by the sites. The potential of this form will enable the present of opportunity to combine capabilities and resources for each parties that will contribute to the outcome (Googing and Rochlin, 2000). The outcome will be the education program for local people and tourists for the sites. The program could be suggested by universities and NGO. The executor could be the business sites itself with the help of association representing the local people.

From the research, it is concluded that sustainability perception in tourism business is perceived by stakeholders in Bogor as having consistent implementation of 3P (People, Planet, Profit). Qualitative indicators of how Pancawati group was indeed sustainable have been outlined in this research. It was seen that when 3P concepts are correctly established in the business, not only the business growth was inevitable but local communities receive the benefits.