I. INTRODUCTION

1.1. Background

For many decades, world businesses have been competing in creating more values to customers; values which are related to the sustainability of the business. Customers, stakeholders, and society expect and demand superior products, services, and operations with less waste, reduce impacts on health, safety, and the environment, and enhanced corporate responsibilities for the decisions, technologies, products, processes, and activities of every facet of the business enterprise (Rainey, 2006). However, the general behaviour of businesses is unsustainable, and this has increased a great concern. According to Living Planet Report (WWF International, 2010), we have used resources that account to what 1.5 planets can sustain. Efforts are being made everywhere in the world to ensure that sustainable development takes place in every type of business.

Three important pillars of sustainable development are to deliver benefit of economic, social, and environment. All three are applied to all type of businesses, including tourism industry. Tourism is the largest industry in the world, represents approximately 11% of world’s GDP and employs almost 8% of world’s workforce (UNEP and Stakeholder Forum, 2002). As world’s population is increasing, so is the demand of tourism. WWF International (2001) estimated the tourist trips are predicted to increase to 1.6 billion by 2020 and UNEP and Stakeholder Forum (2002) predicted that the economic impact in the region of Asia and Pacific, including Indonesia, will grow by 80% in 2012.

Concerns have been raised how tourism industry has brought disadvantages for ecological environment, social, economic, and cultural impact;
impacts that are against the concept of sustainability. Sustainable tourism leads to the management of all resources in such a way that ecological, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support system (WTO, 2002). For rich-of-biodiversity countries, ecotourism industry can be an important tool for generating employment and income (Wunder, 2000).

Tourism as commodity in Indonesia has gradually increased its rank compare to other commodities. This can be seen in Table 1 where in 2009, tourism was foreign exchange was ranked the third after CPO. Whilst it was the fourth in 2008, the fifth in 2007, and was not even top five in 2006. This has indeed confirmed the importance of tourism sector in Indonesia. Tourism in Indonesia has contributed to foreign exchange reserves at Rp 80 billion in 2008 the international arrival of 6.5 million tourists (www.dephut.go.id). Indonesia’s GDP Quarter III-2011 grew by 6.5 percent, in which the highest contribution came from the Sector Trade, Hotels and Restaurants of 10.1 percent (BPS Press Release, No. 72/11/Th. XIV, 7 November 2011).

Table 1. Tourism Foreign Exchange against Other Export Commodities, Year 2006 - 2009

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</thead>
<tbody>
<tr>
<td>1</td>
<td>Oil and Gas</td>
<td>21,209.50</td>
<td>Oil and Gas</td>
<td>22,088.60</td>
<td>Oil and Gas</td>
<td>29,126.30</td>
<td>Oil and Gas</td>
<td>19,018.30</td>
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<tr>
<td>2</td>
<td>CPO</td>
<td>7,868.64</td>
<td>CPO</td>
<td>123,875.57</td>
<td>CPO</td>
<td>10,367.02</td>
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<tr>
<td>3</td>
<td>Processed Rubber</td>
<td>6,179.88</td>
<td>Processed Rubber</td>
<td>7,579.66</td>
<td>Tourism</td>
<td>6,298.02</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4</td>
<td>CPO</td>
<td>4,817.64</td>
<td>Clothing</td>
<td>5,712.87</td>
<td>Tourism</td>
<td>7,377.00</td>
<td>Clothing</td>
<td>5,735.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Electrical</td>
<td>4,448.74</td>
<td>Tourism</td>
<td>5,345.98</td>
<td>Processed Rubber</td>
<td>6,092.06</td>
<td>Processed Rubber</td>
<td>5,735.60</td>
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Source: www.budpar.go.id
Given the fact that tourism gives large contribution in national income, the concentration of tourists is limited to several destinations in Indonesia. After Bali island, West Java is the second popular destination. This can be seen in foreign tourists arrival data based on arrival port from the Ministry of Tourism and Culture in Table 2.

Table 2. Percentage of Tourists Incoming Based on Arrival Port, 2008-2011

<table>
<thead>
<tr>
<th>Airport</th>
<th>2008 (in %)</th>
<th>Airport</th>
<th>2009 (in %)</th>
<th>Airport</th>
<th>2010 (in %)</th>
<th>Airport</th>
<th>2011 (in %)</th>
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<tbody>
<tr>
<td>Ngurah Rai, Bali</td>
<td>33</td>
<td>Ngurah Rai, Bali</td>
<td>38</td>
<td>Ngurah Rai, Bali</td>
<td>36</td>
<td>Ngurah Rai, Bali</td>
<td>37</td>
</tr>
<tr>
<td>Soekarno-Hatta, Jakarta/West Java</td>
<td>23</td>
<td>Soekarno-Hatta, Jakarta/West Java</td>
<td>22</td>
<td>Soekarno-Hatta, Jakarta/West Java</td>
<td>26</td>
<td>Soekarno-Hatta, Jakarta/West Java</td>
<td>26</td>
</tr>
<tr>
<td>Batam</td>
<td>17</td>
<td>Batam</td>
<td>15</td>
<td>Batam</td>
<td>14</td>
<td>Batam</td>
<td>15</td>
</tr>
<tr>
<td>Juanda, East Java</td>
<td>3</td>
<td>Juanda, East Java</td>
<td>2</td>
<td>Tanjung Uban, Riau Island</td>
<td>4</td>
<td>Tanjung Uban, Riau Island</td>
<td>4</td>
</tr>
<tr>
<td>Others</td>
<td>24</td>
<td>Others</td>
<td>23</td>
<td>Others</td>
<td>19</td>
<td>Others</td>
<td>18</td>
</tr>
</tbody>
</table>

Source: www.budpar.go.id

There have been numerous international studies for tourism in Bali Island as tourism is the main industry, but not as much in West Java especially Bogor. This is unfortunate since Bogor has tremendous natural resources that are potential to be a competitive tourism product. There were approximate 9000 studies about sustainable tourism in Bali whilst only approximate less than 1000 studies Bogor (www.google.com).

Figure 1 is data obtained from Bogor ministry of tourism and culture. It showed that Bogor together with Purwakarta were in the second place for realisation of foreign investment in 2009 with 21% of value. However, Bogor was
the first place of realisation of domestic investment with the value of 27%, followed by Bekasi at 24%. Unlike foreign investors who mostly invested on manufacturing, domestic investors chose SME (Small Medium Enterprise) sector and tourism. This made Bogor as one of the most potential areas for tourism development in West Java, Indonesia (Ecotourism Workshop, Bogor, 2011).

Bogor has magnificent number of natural resources that are potential to be developed into tourism business. With the rapid development in tourist destination sectors, the city has attracted high number of both domestic and international tourists. According to Teguh Hartono, the chair of Bogor Ecotourism Centre period 2010, whilst this indicated the growth of economic activities, there were also negative effects generated. There has been a great reduc of green open spaces and the change of urban living patterns. Department of Spatial mentioned that in 2012 Bogor only has approximately 10% of green space, whilst the standard is 30%. Budiman (2010) stated that the addition of green space followed by Bekasi at 24%. Unlike foreign investors who mostly invested on manufacturing, domestic investors chose SME (Small Medium Enterprise) sector and tourism. This made Bogor as one of the most potential areas for tourism development in West Java, Indonesia (Ecotourism Workshop, Bogor, 2011).

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area is very desirable for maintaining and enhancing the quality ecosystem of Bogor city. Bogor tourism attractiveness is very influenced by the condition of natural resources and friendliness of Bogor local communities. In future, Bogor could be no longer attractive if these problems were not solved. This unfortunate phenomenon is indeed the opposite concept of sustainable business.

There have been few forums in the past few years to discuss the sustainability of tourism business in Bogor that involved many stakeholders. It has been generally acknowledged that the improvement should be made in product development, marketing, and capacity building. 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.

This research aims to understand the real indicators of sustainable business in tourism industry by using qualitative methods. The object chosen for the research was Lembur Pancawati, an ecotourism site located in Bogor. Lembur Pancawati has been acknowledged as having a sustain business since 1998. It is believed that it will be beneficial to see how Lembur Pancawati position in tourism value chain and how it creates values in each of the chain.

By understanding the value chain and involving the stakeholders surround the site, it is expected that indicators for managing a sustainable business, especially in tourism industry of Bogor, can be revealed. It is also expected that this research can explain how sustainability concept is operationalized in the business field, which in this case is in ecotourism industry. It is believed that the
result of the research can be the trigger to develop a conceptual indicators of sustainable business, not only in tourism, but also many other business sectors.

The lack of publication in determining sustainable business indicators or variables has caused this research has no preliminary hypotheses, resulting the need of qualitative method in its methodology. Understanding a sustained tourism is required to study what are elements to establish a business that is attractive to investors, as well as for all stakeholders.

1.2. Research Question

In business perspective, related stakeholders are interested to see tangible proof of sustainability. In ecotourism industry, to know if local community has an increase wealth is currently believed as one of important indicators for stakeholders to believe that this industry has a sustained future of economic aspect, along with the sustainability of ecological and social culture which will not be discussed further in this thesis.

The research question of the thesis is as the following:

- How is sustainability in tourism business perceived from stakeholders of Bogor tourism in relation to 3P (People, Planet, Profit) concept?

- How is the sustainability concept operationalized in tourism business site by the example of the Pancawati group in relation to 3P (People, Planet, Profit)?

- How is the mapping of value chain of the Pancawati group?
1.3. **Research Objectives**

The objective of this study is to contribute to the knowledge regarding problem of the lacking sustainability business indicators, particularly in ecotourism industry, by describing the following:

a. To identify indicators of business sustainability tourism from stakeholders’ perspectives in relation to 3P (People, Planet, Profit).

b. To understand how the concept of sustainability is operationalized in the Pancawati group in relation to 3P (People, Planet, Profit).

1.4. **Research Potential Contribution**

The contribution is expected to be made for stakeholders in tourism business as part of information for development plan for sustainable business. This research can also contribute for researchers who are in the field of sustainable business development.

1.5. **Research Scope and Limitation**

This research will focus on discussing the sustainability aspects in tourism industry in business perspectives that involves 3P concept of People, Planet, Profit. However, it does not discuss technical measurement aspects in ecology. Several basic discussions on ecology aspects are available but it is limited for literature review to support the definition of ecotourism.

This thesis will use site specific study in one of tourist villages in Bogor. The outcome will therefore reflect on the specific region of Bogor value chain; however the general findings may be useful as the comparison for other research.
Untuk Selengkapnya Tersedia di Perpustakaan MB-IPB