**Strengthening destination competitiveness:**

**A case of Yogyakarta, Indonesia**

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**Abstract**

*The paper attempts to investigate tourism policy implementation in Yogyakarta, Indonesia and examine the effort to promote and strengthen the destination competitiveness. As the second most visited destination after Bali, Yogyakarta still suffered low performance in terms of tourists length of stay. In the other words, Yogyakarta is a prospective tourist destination, however, travelers do not explore and experience the city resources completely. Some vital works are proposed to be taken into consideration to improve and support the destination image and competitiveness, which are strengthen tourism destination identity, strong support on destination branding, and empower the destination stakeholders. All parties in the destination include government, DMO, and other destination practitioners need to cooperate in planning strategies to deliver excellent destination experience.*

**Background**

East Asia and Pacific has been the fastest growing destination region over the past 30 years, as a result of the well-developed tourism product, improved international access and cost (World Trade Organization, n.d.). In 1980 – 1998, the regions have achieved 8.1% growth rate of tourist arrival. Recently, Asia becomes the second most visited region in the world

after Middle East (World Tourism Organization, 2010). In Indonesia, foreign tourits motivation towards tourism in this country is relatively high. In 2010, 7 million foreign tourists arrived, an increase of 8.5% from the year before (Mediaindonesia, 2011). Moreover, tourism sector is included as the second biggest sector to Indonesia GDP after industry sector. Tourism government of Indonesia has promoted some cities that have unique and strong potential as the most top destination throughout Indonesia. On this matter, Yogyakarta, Indonesia has been awarded as the second most destination after Bali (Indonesiatravel, 2010).

Ruled by a king until nowadays and its rich in traditions and heritages, Yogyakarta, Indonesia has been known as cultural city, and marked as the Special Region of Yogyakarta, Indonesia. Its important role in political history of Indonesia in the war independence era and the existence of two famous temples (Borobudur, the biggest Buddhist temple in the world; and Prambanan, Hindu’s temple) attract visitors to keep coming for cultural motivation. Having the oldest and biggest university in Indonesia, and other high reputated educational schools and colleges, Yogyakarta, also reffered as educational city. As Soeroso & Susilo (n.d.) argue, Yogyakarta is not only considered as educational city, but also as a central tourist destination of Indonesia which has a strong cultural basis in history, education, and arts. However, instead of its rich potential as second most destination in Indonesia after Bali, foreign travelers at average have less than 2 days stay in the city (Dinas Pariwisata Provinsi DI Yogyakarta, 2010). They come to Yogyakarta mostly for visiting some cultural sites such as the temple and the palace only, which means the other important parts fail to draw tourists’ interest. Some factors might inhibit travelers to explore and experience the city. Since delivering high quality experience will enhance destination competitiveness, it is urgent to offer great value to achieve the memorable experience.Therefore, a well understanding needs to be employed to strive for Yogyakarta as one of the most competitive destination in Indonesia.

**Problem statement**

Intense competition for tourists among international destinations has emphasized important factors of the quality and branding destination that can make visiting a place more appealing (Stevens, 1992 cited in Murphy, Pritchard, & Smith, 2000). The very short length of stay of international travelers of not more than 2 days is quite surprising, as Yogyakarta become one of the most visited destinations in the country. The DMO therefore faces a tough competition to attract travelers (Pike & Ryan, 2004 cited in Ekinci & Hosany, 2006). Some factors involving destination stakeholders need to be more investigated to get a better action plan to achieve destination competitiveness.

**Discussion**

Destinations are combinations of tourism products, which consist of tangible and intangible attributes (Ekinci & Hosany, 2006), and offer an integrated experience to visitors (Buhalis, 2000). This experience, which is acquired during tourists activities on the destination, is highly depending on each tourism product offered by destination stakeholders such as attraction suppliers, tour operators, hoteliers, restaurateurs, and transportation providers. Destination experience is closely related with destination image. Destination image is described as the sum of beliefs, ideas, and impressions that a person has of a destination (Crompton 1979 cited in Tasci & Gartner, 2007). The image is formed by developing many sources such as promotion such as advertising and brochures, other’s opinion such as family, friends, travel agencies, media reporting such as documentaries, newspapers, magazines, televisions, and popular culture such as motion pictures and literatures (Reynolds, 1965 cited in Govers, Go, & Kumar, 2007) and from first hand experience (Echtner & Ritchie, 2003 cited in Govers, Go, & Kumar, 2007).

Located in the middle of Indonesia archipelago, Yogyakarta, in regards to its position of being one of favorite destination, has suffered imbalance tourism development throughout the country. As Nirwandar (n.d.) argues, tourism policy in Indonesia is only focused on one famous destination, Bali, while tourism facilities in other cities are still underdeveloped, which means limited transportation facilities, weak tourism plan, and underutilized tourism resource potentials. Especially in Yogyakarta, the destination image towards the city is still poor managed that restrain travelers to come. Moreover, after the earthquake disaster in 2006 and volcano eruption in 2010, the tourism condition in the city suffered in negative image and a sharp downturn of tourism arrivals decline in the end of 2010 (Gupta, 2010).

Chen & Kersletter, 1999 cited in Tasci & Gartner (2007) emphasize that tourists will choose one destination over another only when the positive image exceed the negative one. Yet, this image should not only be positive, but also strong to be chosen (Alhemoud & Amstrong, 1996, Hunt, 1975, Ross, 1993 cited in Tasci & Gartner, 2007), and distinctive which creates different tourists life experience (Bramwel & Rawding, 1996 cited in Tasci & Gartner, 2007). Indeed, destination image plays vital role in influencing traveler behavior and satisfaction (Chon, 1990 cited in Pike, 2002). This can be achieved by delivering an excellence experience to travelers. As Gunss, 1988 cited in Murphy, Pritchard, and Smith (2000) states that tourism products of information, transportation, accomodation, and attraction that are consumed will impact tourists’ experience during their stay in the destination. While Cohen, 1979 cited in Murphy, Pritchard, and Smith (2000) argues that the experience is derived from the physical setting of a destination, in addition to the service infrastructure provided during their visit. To be competitive, the DMO should take destination image development into account (Baloglu & McCleary, 1999). Tourists will select destination based on the package benefit, the destination uniqueness, and greatest intrinsic rewards (Gartner, 1989 cited in Tasci & Gartner, 2007). In regards to Yogyakarta, the study proposes some recommendations in order to deliver high quality experience, which in turn will impact on destination image and competitiveness.

Firstly, strengthen tourism destination identity. A destination offers a combination of all products, services, and experience provided locally (Buhalis, 2000). Therefore, a destination should pay attention on how to utilize its own identity into tourism commodity. Local resources is a central assets of a destination. It comprises of local nature, authenticity and history, lifestyle, cuisine, art and cultural heritage (Govers, Go, & Kumar, 2007). Indonesia national policy on tourism aims to strengthen the bargaining position among ASEAN member nations. It facilitates the large scale tourism development (corporate tourism) rather than small scale develpment policies to sustain Indonesia cultural and environmental diversity (Prazic, 2009). Indonesian tourism government organization was intended to develop and strengthen tourism studies aimed at community and nation-character development. Culture activities during holiday is the most influent factor on tourists’ satisfaction (Jacinto, Garcia, & Haud-Huyze, 1999). It is because cultural motivation will increase the quantity of services they engaged in, which then encourage them to gain more experience in the destination. Yogyakarta is marked as ‘the cultural heart of Java’ (or even Indonesia), characterized as a big village (Salazar, 2005), and has heritage as its main product (Wall cited in Salazar, 2005). Undoubtedly, Yogyakarta can be developed into ideal cultural tourist destination, which emphasizes on its citizen expression and lifestyles (Smith, 1977 cited in Soeroso & Susilo, n.d.). Authentic culture, its history, institutions, and customs can offer a rich experience to travelers (Cohen, 1988, Prentice, 1993 cited in Murphy, Pritchard, & Smith, 2000). Regrettably, the economy effort in Yogyakarta region to produce cultural goods in the way to encourage culture tourism atributes such as culinary goods, musics, traditional toys, are mostly captured by foreign style. Moreover, the effort to revitalize the cultural industry to be more competitive was developed universally, which neglect its own uniqueness that leads to the vanishment of culture identity (Soeroso & Susilo, n.d.).

Secondly, strong support on destination branding. Tourists perceive destination as a brand comprising of a collection of suppliers and services (Buhalis, 2000). Brand destination is not only about simple logo development (Blain, Levy, Ritchie, 2005), but also include destination image and competitiveness. Likewise, Tasci & Gartner (2007) imply that brand destination reflects the image that influences tourists’ behavior, including destination choice, decision making, and satisfaction. Yogyakarta, with its brand of ‘Jogja Never Ending Asia’ in supporting ‘Visit Indonesia Year’, aims to offer high quality tourism services and experiences that represent Asia tourism as a whole, and also to attract investors, traders, and travelers to the city (Salazar, 2005). With this tagline, Yogyakarta ready to compete with other tourist destination in the country level, such as Singapore with its ‘New Asia’ and Malaysia with its ‘Truly Asia’. Nonetheless, the brand name is not managed well, as it is not supported by tourism strategies and facilities to deliver the value of services and experiences as promised in the brand name promotion. Destination infrastructure and environment both influence considerably on the overall destination quality and value. Each moment of truth related with the destination environment and its service infrastructure develops travelers perceived quality which in turn affects their experience and satisfaction (Carlzon, 1987 cited in Murphy, Pritchard, & Smith, 2000). Kotler, Bowen & Makens (1996) cited in Murphy, Pritchard, and Smith (2000) propose that physical environment, which comprises demographic, economic, natural, technological, political, and cultural forces, plays important role in the tourists’ experience. Furthermore, Dunn & Iso-Ahola, 1991; Buckley, 1994 cited in Murphy, Pritchard, & Smith (1999) also imply that core environment in the form of physical elements such as natural resources, site facility, and physical condition effect on visitors. During their activity in experiencing destination, tourists assess the quality of services and infrastructures (Jacinto, Garcia, & Haud-Huyze, 1999). In the case of Yogyakarta, infrastructure (Salazar, 2005) and accessibility (Hasibuan, 2005) are important issues that has strong impact on tourist’s behavior in their stay in the city. Considering tourists short length of stay in Yogyakarta, the government should pay attention on accessibility improvement such as transportation service, well-scheduling transportation departure and arrival time, transportation safety improvement, and airport expansion.

Thirdly, destination stakeholders empowerement. The intention to return is an important outcome measure for destination marketing organization (DMO) to take into account (Gitelson & Crompton, 1984; Godbey & Graefe, 1991 cited in Murphy, Pritchard, & Smith, 2000). Thus, understanding the strength of quality and value assessment in influencing tourist behavior can provide useful strategic information (Murphy, Pritchard, & Smith, 2000). Tourism policy in Indonesia aims to develop tourism strategy by acquiring community based tourism, enlarging tourism market, and optimalizing tourism sustainability (Muallisin, 2007). Yogyakarta has affluent potentials as tourism destination, however, the city development in terms of tourism resource neglects destination stakeholders’ roles. Instead, local community should be the one who has main role to develop tourism in the destination, for example to identify local development priority, to improve local community participation in all tourism activities, and to promote local tourism products (Muallisin, 2007). If local residents intend to gain advantage from tourism, they should also be offered opportunities to participate in, and get tourism economic benefit (Timothy, 1999). In other words, a destination should maximise the benefits for all stakeholders who have vital role as destination practitioners. Unfortunately, in Yogyakarta, tourism benefits are concentrated in the hands of few stakeholders at the expense of another (Muallisin, 2007; Sproule, 1995 cited in Timothy, 1999). Tourism in Yogyakarta is only concentrated in few areas, such as royal palace, Malioboro the main commercial zone, and two low-budget accomodation areas: Sosrowijayan and Prawirotaman (Timothy and Wall, 1995 cited in Timothy, 1999; Muallisin, 2007). Furthermore, the most success tourism business owners come from foreigner outside the city (Muallisin, 2007), which creates economic leakage and unfair income distribution to locals. Thus, strong coordination between DMO and destination stakeholders in developing consistent visitors experience can help ensure that visitors will receive a high quality destination experience (Blain, Levy, Ritchie, 2005). The strategies and achievements should involve the wishes of all stakeholders, as managing them may create conflict of interest between one stakeholders to another. DMO has to actively take part into local, regional, and national government, and act as tools and facilitators to achieve stakeholders’ benefit. Places with carefully planned development tend to achieve high tourist satisfaction, positive economic benefit, minimal negative impacts on social, economic, and physical environment (Timothy, 1999).

**Conclusion**

Instead of its tourism growth, Indonesia tourism faces some difficulties to maintain and promote its position as a chosen destination in South East Asia. Especially for Yogyakarta, that has enormous tourism potentials to be improved as the most favorable destination in both Indonesia and South East Asia, the goal is still lack behind. Eventhough the Indonesia government has set up tourism policy for the whole country, it still neglects the locals condition. As a result, imbalance tourism development of one region to another restrain each destination to be competitive. Since Bali become one main tourism gate and income to Indonesia, the government has ignored other prospective destinations, such as Yogyakarta. Some recommendations are proposed in the study to help achieve Yogyakarta’s competitiveness, which are strengthen tourism destination identity, strong support on destination branding, and empower the destination stakeholders. These strategies should come into sinergy to help promote destination image and strengthen destination competitiveness.

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