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## ANALYSIS OF TOURISM SECTOR ON COMMUNITY INCOME IN GORONTALO PROVINCE IN 2015-2019 DOI: 10.31002/rep.v7i2.208

## Ferawaty Husain¹, Sri Indriyani S Dai², Ivan Rahmat Santoso³⊠

<sup>1,2,3</sup>Department of Economics, Faculty of Economics, State University of Gorontalo <sup>i</sup>van\_santoso@ung.ac.id

#### Abstract

This study aims to determine (1) the effect of the number of tourists on people's income in the province of Gorontalo, (2) the effect of the number of hotel accommodations on the income of the people in the province of Gorontalo. (3) the average length of stay on the income of the people in the province of Gorontalo. This study uses quantitative methods using panel data, and the data collection technique in this study is documentation. Researchers collect archival data at the Central Statistics Agency of Gorontalo Province. Data analysis in this research used multiple linear regression analysis. The results of this study indicate (1) there is a positive and significant relationship between the number of tourist visits and the income per capita of the community (PCI). If the number of foreign and local tourists visiting Gorontalo Province increases, the people's per capita income will increase. (2) The number of hotels has a positive and significant effect on the income per capita of the community, meaning that if the number of hotels increases, the income per capita of the community will increase. (3) The average length of stay has a negative and significant effect on people's per capita income. An interese in the average length of stay can reduce a community's per capita income.

Keywords: Number of Tourists, Number of Hotels, Average Length of Stay, People coming

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#### INTRODUCTION

The tourism sector has now developed and become one of the largest industries for economic growth and community welfare in Indonesia, which is expected as a foreign exchange earner. Regions that have assets in the form of tourist attractions that are in demand, can bring benefits to the tourism sector itself where the number of tourist visits is very meaningful for the development of the industry and local tourism revenue (Purwanti, Novi dwi Dewi, 2014). Tourism is considered as one of the development sectors that can spur economic growth in certain areas, which have tourist attractions while maintaining the preservation of the natural, physical, social and cultural environment.

The tourism sector is a potential sector to be developed as a source of regional income (Zhang, 2020). To increase local revenue, the government needs to develop and facilitate tourism sites so that the tourism sector can contribute to economic development. The successful development of the tourism sector can increase its role in regional revenue, where tourism is the main component by also considering the factors that influence it, such as: the number of attractions offered, the number of tourists visiting both domestic and international and the hotel occupancy rate (Nyoman, 2003). The support of funding allocations from the government every year makes the tourism sector develop tourist attractions to be visited by many tourists. The

number of tourists visiting makes the tourism sector has the potential to increase local revenue. As a result, the number of tourist visits makes a positive contribution to local revenue. Tourist length of stay is the number of nights or days that a foreign tourist spends outside his or her country of residence.

The length of stay of tourists is indeed one of the factors that determine the amount of revenue or foreign exchange received for countries that rely on foreign exchange from the tourism industry. Theoretically, the longer a tourist stays in a tourist destination, the more money is spent in the area. At least for the purposes of food and drink and hotel accommodation while staying there (Wijaya & Cynthia, 2017)

Hotel occupancy rate is a situation to what extent the number of rooms sold, when compared to the entire number of rooms that are able to be sold (Akoit & Babulu, 2021). With the availability of adequate hotel rooms, tourists are not reluctant to visit an area, especially if the hotel is comfortable to stay in. The tourists will feel safer, more comfortable, and feel at home to stay longer in the tourist destination. The tourism industry, especially activities related to lodging, will get more and more income if the tourists stay longer.

As with other sectors, tourism also affects the economy in a tourist destination area or country. The size of the influence differs between one region and another or between one country and another (Muljadi, 2012, Sammeng, 2001). Based on a study conducted by the World Travel and Tourism Council (WTTC) in 2004, the tourism sector can increase regional income, because of its nature as a Quick Yielding Industry.

The successful development of the tourism sector, means that it will increase its role in regional revenue, where tourism is the main component by also paying attention to the factors that influence it, such as: the number of tourists visiting both domestic and international, the number of hotels and the average length of stay is very decisive for unstable or new residents to support tourism (Kusuma et al., 2021). besides that Per capita income for a tourist determines the length of stay and the ability to shop at the tourist attractions visited. Finally, it can increase regional revenue, especially the tourism sector has the aim, among others, to expand business opportunities and create jobs. The advantage of tourism development according to Sulaiman in (Khoir, Fawaidul Ani, Hety Mutika Hartanto, 2018) is that it can open up employment opportunities, increase the income / income of the community or region, support regional developmentmovements and stimulate the growth of indigenous Indonesian culture. Tourism in the Economic Development aspect is the development of tourist attractions in an area that will encourage tourism demand. This can trigger

the arrival of tourists, which is an opportunity for local people to open a business so that the community will get income from the effects of tourism itself.

Historically, tourism is a development priority for Gorontalo Province. In terms of tourism potential, Gorontalo Province has a lot of diverse tourism potential spread throughout the region, where this potential has a competitive advantage. The increase in tourist visits in Gorontalo is influenced by the richness and beauty of its natural scenery as well as the diversity of ethnicities and cultures owned by the region with the nickname of the city of Serambi Madinah. In addition, government support for the development of tourist destinations in Gorontalo is very intensively implemented considering that Gorontalo is a very potential area to grow its tourist destinations. Gorontalo's strategic location between Central Sulawesi Province and North Sulawesi Province is very favorable as a connecting route or route passed by foreign tourists in the two provinces. Government support is contained in the Gorontalo Province regional regulation number 4 of 2011 concerning the regional spatial plan or RTRW which stipulates several potential areas to be developed as tourism areas in Gorontalo.

Year	Number of Domestic Travelers			
	<b>Regency and City</b>			
	in Gorontalo Province			
2015	572,517			
2016	566,394			
2017	706.768			
2018	962,568			
2019	1,304,254			

**Table 1.** Domestic Tourist Visit Data Districtsand Cities in Gorontalo Province

Source: Gorontalo Province Tourism Office

Based on table 1, it can be concluded that the number of domestic tourist visits in regencies and cities in Gorontalo Province in 2015-2019 continues to increase. This is influenced by the increasing number of choices of tourist attractions so that more and more tourists visit an area and tourists can freely choose the tourist attraction they want to visit and the increasingly adequate facilities in tourist destinations so that tourists can be calm and comfortable when visiting tourist destinations.

Table 2.	Data on	Foreign	Tourist	Visits
Districts	and Citi	es in Go	rontalo	Province

Year	Number of Foreign Tourists in Regency and Cities in
	Gorontalo Province
2015	3,634
2016	5,923
2017	6,021
2018	8,532
2019	11,173

Source: Gorontalo Province Tourism Office

Based on table 2, it can be concluded that the number of foreign tourist visits to districts and cities in Goronntalo Province has continued to increase throughout 2015-2019. These tourist destinations are scattered in various sub-districts and districts in Gorontalo such as Otanaha fort tourist destination in West City District of Gorontalo City, Olele marine tourism in Bilongala District of Bone Bolango Regency, Saronde island destination in North Gorontalo Regency, Torosiaje Traditional Tourism in Popayato District of Pohuwato Regency and destinations. other tourist Tourism development efforts in Gorontalo are based on its potential. The natural potential of Gorontalo Province in the form of Tomini Bay, Bogani Nani Wartabone National Park, Lake Limboto is expected to attract domestic and foreign tourists which will have an impact improving the economy of on the surrounding community. The tourism sector is able to encourage economic growth through the provision of employment and a multiplier effect become for the development of other economic sectors.

**Table 3.** Number of Hotel Accommodation in Regency and City in Gorontalo Province in 2015-2019

Number of Hotel Accommodation
in Regency and City in Gorontalo
Province in 2015-2019
89
119
135
0
106

Source: Central Bureau of Statistics, 2022

Table 3 explains the number of hotel facilities and infrastructure (hotel accommodation) owned by each region in Gorontalo Province. Most hotel accommodations are in Gorontalo City followed by Pohuwato Regency, Boalem, Gorontalo Regency and North Gorontalo Regency.

**Table 4.** Average Length of Stay of DomesticTourists Regency and City in GorontaloProvince

Year	Average Length of Stay in				
	<b>Regency and Cities in Gorontalo</b>				
	Province				
2015	2.07				
2016	1.50				
2017	1.82				
2018	1.71				
2019	1.68				

Source: Central Bureau of Statistics of Gorontalo Province

Based on table 4, it can be concluded that the average length of stay of domestic tourists in regencies and cities in Gorontalo Province in 2015-2019 is unstable, always up and down based on the presentation above, it can be seen that in 2019 it has decreased. With the hope that in the future there must be an increase by providing improved services to tourists visiting tourist destinations so that it is expected to increase Regional Original Revenue.

**Table 5.** Average Length of Stay of ForeignTourists Regency and City in GorontaloProvince

Year	Average Length of Stay in Regency and Cities in Gorontalo			
	Province			
2015	2.49			
2016	2.25			
2017	3.60			
2018	2.21			
2019	1.62			

Source: Central Bureau of Statistics of Gorontalo Province Based on table 1.5, it can be concluded that the average length of stay of foreign tourists in regencies and cities in Gorontalo Province continued to increase in 2017. However, foreign tourist visits in 2019 tended to decrease compared to 2018. This decrease in the number of foreign tourist visits is the impact of no longer allowing foreign tourists to Gorontalo in serving international flights and disasters and disasters that hit the country.

**Table 6.** Regional Original Revenue ofDistricts and Cities in Gorontalo Province (inmillion rupiah)

Year	Regional Original Revenue of Districts and Cities
	in Gorontalo Province
2015	25143.39
2016	27544.77
2017	29565.12
2018	31827.62
2019	34976.65

Source: Central Bureau of Statistics of Gorontalo Province

From table 6, it can be concluded that the amount of Regional Original Revenue of districts and cities in Gorontalo Province has increased every year from 2015-2015. Local Revenue can be influenced by the number and types of taxes and levies collected by local governments, as well as the intensiveness of the management apparatus in implementing tax and levy collection. Local Revenue that tends to increase every year is expected to improve the economic conditions of districts and cities in Gorontalo Province.

The tourism industry sector as one of the sectors relied upon for regional revenue, the Gorontalo Provincial Government is required to be able to explore and manage its tourism potential as an effort to obtain funding sources through new breakthroughs. One of the breakthroughs is to improve the quality and new tourism objects in Gorontalo. This will encourage an increase in the number of foreign tourists and domestic tourists, so that it will increase regional revenue, especially tourism levies and will also affect the economic activities of the surrounding community, so that later it can finance the implementation of regional development.

Previous studies have examined the role of tourism on community income in the context of different perspectives: Ramadhany & Ridlwan, (2018), Holik (2016) (Ghofur, 2016) Anjasmara & Setiawina, (2019); Hermanto (2020) and Alghifari (2018), However, studies investigating the entrepreneurial sector on people's income comprehensively are still limited. This study aims to investigate the effect of total tourists, number of hotel accommodations and average length of stay on people's income in Gorontalo Province.

#### THEORITICAL BACKGROUND

# Relationship between Tourist Visits and Community Income

According to Soekadijo (2001) stated that tourists are people who travel from their place of residence only temporarily to stay in the place they visit. Those who are considered as tourists are people who do pleasure, for health reasons and so on, people who travel for meetings as representatives (science, administration, events, religious, athlete and business reasons). Consumption of the tourism sector is the goods and services consumed by tourists in meeting their needs, wants, and expectations during their stay in the tourist destinations they visit, ranging from travel packages, accommodation, food and beverages, transportation, recreation. culture and sports, shopping, and others (Soekadijo, 2001). Previous studies have shown that there is a relationship between tourist visits and people's income, including studies from (Nuhung et al., 2013), (Ardianti, 2017) end (Purwanti & Dewi, 2014).

# Relationship between the number of hotels and people's income

Hotels play an important role in the tourism industry, this is because Not a few people are reluctant to visit tourist areas because of the lack of facilities adequate hotel. Hotel according to (Batafi, 2006) is a type of accommodation which uses part or all of the building to provide services commercially managed lodging, dining and drinking services as well as meet the requirements set by the government. With regard to the number of hotels, it can be interpreted that the number of accommodation used for stay that is managed commercially. With regard to tax receipts, a small number of hotels can be obtained determine the size of local tax revenue. This is caused by the amount of hotel tax revenue is determined from the tax rate, which is 10% of the total hotel revenue. So the more hotels there are, the more people will be attracted to stay and the more taxes will be submitted to the government. Study from (Alyani & Siwi, 2020), (Dewi et al., 2020) end (Sofinatun najjah, luluk fadliyanti, 2022) shows that the number of hotels has a relationship with people's income

# Relationship between length of stay of tourists and people's income

The length of stay of tourists is the number of nights or days spent by tourists in an accommodation such as a hotel or villa. The longer and the more occupancy of a hotel room or villa, the greater the tax on the hotel that will be paid (Gede Yoga Suastika & Nyoman Mahendra Yasa, 2017). Previous studies have shown that there is a relationship between the length of stay of tourists and people's income, including studies from (Yanti et al., 2021) end (Hanafi Ahmad, 2022).

### **Regional Original Revenue (PAD)**

Regional Original Revenue (PAD) is revenue obtained by the region from sources within its own territory which is levied based on local regulations in accordance with applicable laws and regulations Halim (2009: 54). The regional revenue sector plays a very important role, because through this sector it can be seen to what extent a region can finance government activities and regional development. The definition of local revenue according to Law Number 33 of 2004 concerning financial balance between central and regional governments, local revenue is revenue obtained from the local tax sector, local levies, the results of regionally owned companies, the results of managing separated regional assets, and other legitimate local revenue.

#### Percapita Income

Regional Original Revenue (PAD) is revenue obtained by the region from sources within its own territory which is levied based on local regulations in accordance with applicable laws and regulations Halim (2009: 54). The regional revenue sector plays a very important role, because through this sector it can be seen to what extent a region can finance government activities and regional development. The definition of local revenue according to Law Number 33 of 2004 concerning financial balance between central and regional governments, local revenue is revenue obtained from the local tax sector. local levies, the results of regionally owned companies, the results of managing separated regional assets, and other legitimate local revenue.

#### **Tourism Object Retribution Revenue**

Revenue from tourism objects is a source of revenue for tourism objects originating from entry ticket fees, parking fees and other legitimate income from tourism objects. According to Law no. 34 of 2000 concerning amendments to Law no. 18 of 1997 that Regional Taxes and Regional Levies are one of the important sources of regional income to finance the implementation of regional government and regional development. According to (Munawir, 1997) levies are contributions to the government that can be imposed and direct services can be appointed. The coercion here is economical because anyone who does not benefit from the government's services will not be charged the fee. Then also described the definition and understanding related to retribution. (Sproule & White, 1997) say that levies are all payments made to individuals for using services that generate direct profits from the service.

# Tourism Sector Revenue with Economic Growth

Tourism and economic growth are linked by various ways in which tourism can contribute to the economic development of tourist destinations. The relationship between tourism and economic growth is the basis for the dependence of various tourist-based economies on the impact of tourism for their economic development, for example tourism provides more jobs for local residents helping local residents start businesses that cater to tourists leading to revenue generation from tourist spending and fiscal policy and assist in infrastructure development (Sadono Sukirno, 2000).

One of the benefits of the tourism sector and economic development is the fact that tourist areas are passionate about providing jobs for local residents. Tourism requires many services in order to sustain the industry (Nur et al., 2022). Employment is a macroeconomic factor that contributes to economic growth by providing workers with disposable income and consequently leads to an increase in the Regional Gross Domestic Product (GDP). According to the United Nations World Tourism Organization (UNWTO), the reasons the tourism sector contributes to economic growth include:

- Tourism is an opportunity especially for marginalized areas with several export options. Tourists who are interested in the cultural values and assets that exist in the country, for example the culture in developing countries promote tourism through the preservation of heritage values. Thus, enabling the poor to increase their income through their culture and assets (Honey & Gilpin, 2009).
- Tourism is one of the export sectors where poor people in a country can become exporters through the sale of goods to foreign tourists.

## **RESEARCH METHOD**

#### **Research Type and Design**

The type of research used in this study is a quantitative descriptive approach because it provides a description of the research results. The research design used is quantitative research using panel data method. Ouantitative research is research that shows and proves theories, to explain a true event or fact and develop and describe statistics to show the relationship between variables (Narbuko & Achmadi, 2013). Judging from this understanding, the researcher wants to determine whether the variable of tourism sector income development and the number of tourist visits have an effect on economic growth in Gorontalo Province.

### **Research Time and Place**

This research was conducted from January to October 2022, which includes all steps from preparation to research implementation. The location in this research is the tourism sector Province. The in Gorontalo problem formulation in this study uses associative problem formulation with causal relationships. problem Associative formulation is а research problem formulation that asks about the relationship between two or more variables, while the causal relationship is a causal relationship (Sugiyono, 2017).

#### Data Analysis Technique

#### **Operational Research Variables**

This research is a definition, nature or value of people, objects, organizations or activities that have been determined by researchers to be studied and then drawn conclusions. The variables used in this study consisted of two types of variables, namely the dependent variable (dependent) and the independent variable (independent). The following is an explanation of the two variables. The independent variable is the variable that causes the dependent variable to arise. The independent variable in this study consisted of Community Welfare (Y1) Economic Growth (Y2). The dependent variable is a variable that is the result of the independent variables mentioned above, in this study the dependent variable is Tourism Sector Income in North Gorontalo Regency (X).

#### Population and Research Sample

The research population used in this study was in Gorontalo Province. Thus, the population that will be used by the researcher is the annual data on Economic Growth, the annual data on the Revenue Development of the Tourism Sector, and the annual data on the Number of Tourist Visits. While the samples used in this study are annual data on economic growth, annual data on the development of tourism sector income, and annual data on the number of tourist visits in Gorontalo Province. The sampling method used is purposive sampling, which is a sampling method, in which sample members are submitted to the consideration of data collectors based on considerations that are in accordance with certain aims and objectives. The data used in this sampling are Economic Growth, Number of Tourist Visits and Revenue Development of the Tourism Sector in Gorontalo Province in 2015-2019.

#### **Data Collection Technique**

The data collection technique used in this research is documentation. Researchers collected archival data at the Central Statistics Agency (BPS) of Gorontalo Province. In addition, this research also uses data collection techniques with library research, which is done by reading, searching and analyzing books or other scientific references that have to do with the topic being studied.

#### Data Analysis Methods and Techniques

Panel data regression analysis is a regression analysis with a data structure that is panel data. Generally, parameter estimation in regression analysis with cross section data is carried out using the least squares method estimation or called Ordinary Least Square (OLS). The general regression equation is as follows: Y=f(x) (3.1) Where: Y= dependent variable X=independent variable.

#### Multiple Liner Regression Analysis

The multiple linear regression equation with 2 (two) independent variables is as follows:

Where:

Y = Dependent Variable

X = Free Variable

The regression explains the relationship that occurs between Y and X, if X changes value then it will also affect the value of Y.

The panel data estimation function is as follows:

$$Y_{it} = a + \beta_0 + \beta_1 X \mathbf{1}_{it} + \beta_2 X \mathbf{2}_{it} + \beta_4 X \mathbf{4}_{it} + \varepsilon_{it}$$

Then the function is formed as an econometric model with the following model specifications:

$$PERCAPITA_{it} = a + \beta_0 + \beta_1 TW_{it} + \beta_2 JH_{it} + \beta_4 TRLM_{it} + \varepsilon_{it}$$

Where:

PERCAPITA	=	Community Income			
TW	=	Total Tourists (Foreign			
		and Archipelago)			
JH	=	Total Hotel			
		Accommodation			
TRLM	=	Average Length of Stay			
		(Foreign and Domestic)			
i	=	Regency / City			
t	=	Time (Year 2015-2019)			
8	=	Error term (Residual)			

## **RESULT AND DISCUSSIONS**

Panel data is data that combines cross section and time series data. Meanwhile, there are several stages of panel data testing, namely; 1) regression model selection, where we determine the best model in linear regression analysis (CEM, FEM and REM). 2) After testing the model we are allowed to display the results of the analysis of the model. 3) Hypothesis testing. 4) perform classical assumption test.

#### **Research Model Selection**

The selection of the panel data model is intended to see the treatment of each independent variable (X) on the dependent variable (Y). The treatment of the data in question is the general effect of regression (Common Effect Model), the fixed effect of the intercept or area value (Fixed Effect Model) and random effects (Random Effect Model). There are 2 model selections (Chow test and Hausman test) which are useful for making it easier for us to determine the right model that can be used in research results, along with testing.

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TESTING	PROBABILITY	DECISION
Chow Test	Cross-section F =	FEM Better
chow rest	(0.0000)***	than <b>CEM</b>
	Cross-section	
Hausman Test	random = (0.0000)***	than <b>REM</b>

Notes:  $\alpha$  (Significant) = \*\*\*)1%, \*\*)5%, \*)10% and NS) Not Significant.

Source: Estimated Output Processed, 2022 (Attached)

In the Chow test, the value (probability) of the cross-section F = 0.0000 is smaller than the value (alpha/significant) of 1%. This means that with 1% confidence, the FEM model is more suitable for use in research. To strengthen the results of the Chow test, a second test was carried out, namely the Hausman test. It is known that the value of random cross section = 0.0000 is smaller than the value (alpha/significant) of 1%. That is, with 1% confidence, the FEM model is more suitable for use in research. So it was decided to use the **fixed effect model**.

#### **Estimation Results**

#### Table 8. of Estimation Results

Variable	С	TW?	ЈН	TRLM
Coef	9315.805	0.001757	6.634391	-21.29820
t-Stat	61.32326	3.780063	1.217289	-5.977031
Prob.	0.0000***	0.0011***	0.237NS	0.0000***
R <sup>2</sup>	Adj R²	F-stat	Prob(F-stat)	DW-Stat
0.979304	0.971419	124.2086	0.0000***	1.627671

Source: Estimation Output Processed, 2022 (Attached)

After obtaining the estimation results above, the following equation model can be made;

 $PERCAPITA_{it} = 9315.805 + 0.001757TW_{it} + 6.634391JH_{it} - 21.29820TRLM_{it}$ 

- Percapita = community income, if not influenced by the explanatory (independent) variables in the research model, it will be 9315,805 Thousand Rupiah.
- TW = Total tourists have a positive effect on people's income, meaning that for every 1 increase in tourists, income will increase by 0.001757 Thousand Rupiah.
- 3. JH = The number of hotels has a positive effect on community income, meaning that for every 1 increase in the number of hotels, income will increase by 6.634391 thousand rupiah.
- 4. RLM = Average length of stay has a negative effect on community income, meaning that for every 1 day increase, income will increase by 21.29820 Thousand Rupiah.

Based on Cross Fixed Effect, from the Regency/City of Gorontalo Province we can see the contribution made by each region. Of the three variables (Number of Tourists, Number of Hotels, and Average Length of Stay) that affect community income.

DIBAWAH DIATAS INTERCEPT **RATA-RATA RATA-RATA BOALEMO** -949.1495 GORUT -840.4202 GORONTALO -807.6623 BONEBOL -13.24467 **POHUWATO** 444.2062 КОТА 2166.270 **GORONTALO** 

**Table 9**. Region Intercept Table

Source: Estimation Output Processed, 2022 (Attached)

The resulting intercept is the lower-middle income region, which includes Boalemo, Gorut, Gorontalo and Bone Bolango districts. Meanwhile, the upper-middle income regions are Pohuwato Regency and Gorontalo City.

Table 10. t-Statistic Test Table

Variable	С	TW	ЈН	TRLM		
Coef	9315.805	0.001757	6.634391	-21.29820		
t-Stat	61.32326	3.780063	1.217289	-5.977031		
Prob.	0.0000***	0.0011***	0.237NS	0.0000***		
Notes: α (Significant) = ***)1%, **)5%, *)10%						
and NS) Not Significant.						

Source: Estimation Output Processed, 2022 (Attached)

# Number of Tourists and Community Income

From the analysis results, the probability value of the variable number of tourists (JW) is 0.0011. Comparing the  $\rho$ -value with the  $\alpha$ value, the  $\rho$ -value is less than 1% and it is decided that Ho is rejected or the number of tourists has a significant effect on community income from 2015 to 2019.

## Number of Hotels and Community Income

From the analysis results, the probability value of the variable number of hotels (JH) is 0.2370. Comparing the  $\rho$ -value with the  $\alpha$  value, results in a  $\rho$ -value of more than 10% and it is decided that Ho is accepted or the

number of hotels does not significantly (real) affect community income in 2015 to 2019.

# Average Length of Stay and Community Income

From the analysis results, the probability value of the average length of stay (RLM) variable is 0.0000. Comparing the  $\rho$ -value with the  $\alpha$  value, results in a  $\rho$ -value of less than 1% and it is decided that Ho is rejected or the average length of stay is significant to community income from 2015 to 2019.



Figure 1. Data Normality

Source: Estimation Output Processed, 2022 (Attached)

It is known that the jarque-bera value is 2.541125 with a probability value of 0.280674 >  $\alpha$  equal to 10% (0.1). In other words, that the data has been normally distributed due to the prob value of jarque-bera more than the alpha value ( $\alpha = 10\%$ ).

#### Table 11. Multicollinearity Table

NA

С

Variable

Centered

VIF

Source: Estimation Output Processed, 2022 (Attached)

The test results above identify that the VIF numbers of the three independent variables are less than ten (VIF < 10), so there is no evidence of multilinearity between the independent variables in the model.

Table 12. Heteroscedasticity Table

Variable	С	TW	ЈН	TRLM
t-Stat	5.838763	-1.867672	-0.281086	-0.762267
Prob.	0.0000	0.0731NS	0.7809NS	0.4528NS
Note: $\alpha$ (Significant) = ***) $\frac{10}{100}$ **)= $\frac{100}{100}$				

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Notes: \alpha (Significant) = ***)1%, **)5%, *)10% and NS) Not Significant.
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Source: Estimation Output Processed, 2022 (Attached)

Based on the results of the covariance test (Heteroscedasticity) with the Glesier method, it can be concluded that the value of  $\rho > \alpha$  (0.05). This means that there is no heterogeneity in the model or the variables in the estimated model have no attachment to the residual value between the variations of each variable.

#### DISCUSSION

#### **Tourist Visits to Community Income**

 TW
 JH
 TRLM

 1.092415
 1.054591
 1.037245

 variable income per capita of the community.
 This means that if the number of foreign

tourist visits and foreign tourists visiting Gorontalo Province increases, the per capita income of the community will increase. The increasing number of tourists who come to visit will increase tourist demand in the tourism sector, which will cause symptoms of consumption of various kinds of goods and services in tourist destinations.

Gorontalo's position, which is also very strategic between the two provinces of Central Sulawesi and North Sulawesi, is very strategic as a connecting route or foreign tourists traveling through the two provinces. This can be an advantage that should be utilized by Gorontalo Province. This is because artificial and natural tourism objects are found in Gorontalo Province, spread in almost all regencies / cities. With the increase in the number of tourist visits both foreigners and local residents, it will have implications for the provision of tourism instruments. Because tourism activities create demand for both consumption and investment which in principle will lead to the production of goods and services during tourism. In an effort to respond to tourist demand, investment is needed in the fields of transportation, accommodation, handicraft industries and consumer products, service industries and restaurants.

The development of the tourism sector in this area is highly dependent on the number of tourists visiting an area. The arrival of tourists will increase the income of the area visited. For foreign tourists, they will bring foreign currency into the country. The more tourist visits, the more positive the impact on tourist attraction, especially the source of regional income.

The regression coefficient given by the number of positive tourists on public income is 0.001757 thousand rupiah. If multiplied by one thousand rupiah, every increase of 1 tourist, the community will receive 1,757 Rupiah per tourist who comes to Gorontalo Province. This finding is in line with previous research conducted by Ramadhany & Ridlwan, (2018) which found that the number of tourist arrivals will have positive implications for community income. Not only that, Holik (2016) also found that the increasing number of tourist visits will per capita people's increase income. However, this research is not in line with research conducted by Nepal et al (2019), stating that the arrival of tourists will reduce the community's per capita income, this is due to the presence of tourists who do not allocate part of their funds to buy the production of goods and services that have been prepared by the community and the community loses with this impact. Nepal et al (2019), also provide another reason, namely that the more tourists visit one tourist attraction, the more it will damage the tourist attraction.

#### Number of Hotels to Community Income

The number of hotels has a positive and significant effect on community per capita income. Tourists who visit to enjoy tourism destinations will tend to look for a place to stay, one of which is a hotel. The number of hotels proxied in this study based on data released by the Central Bureau of Statistics is the number of hotel buildings in each regency and city in Gorontalo Province.

A brief explanation of why the number of hotels can have a positive and significant effect on people's per capita income, because basically, this segment includes short-term stays for tourists and fellow travelers, as well as food and beverages for direct consumption. The number and type of ancillary services offered in this category vary widely. providing long-term accommodation, such as primary residence, or preparing food or beverages not intended for direct consumption or sale in retail trade so that an increase in the number of hotels will result in an increase in the contribution of the accommodation and food and beverage sector in each region.

Hotels are capital-intensive and laborintensive service businesses, in the sense that they require large capital with a large number of workers as well. Labor is part of the population that can produce goods and services if there is demand for goods and services. The more hotels that are built in an area, the more it will increase people's income (Ghofur, 2016).

This finding is in line with previous research conducted by Anjasmara & Setiawina, (2019) which found that the number of hotels will have positive implications for community income. The number of hotels will stimulate an increase in the quantity of labor, the more labor needed, the higher the wage level, thus increasing people's income.

# Average Length of Stay on Community Income

Average length of stay has a negative and significant effect on community per capita income. An increase in the average length of stay can reduce the per capita income of the community. This is certainly interesting, because the results of the estimation of tourist visits and the number of hotels have a positive effect on people's per capita income, while the average length of stay has not been able to increase the contribution of the food and beverage accommodation sector in each region that is the object of research.

This can happen, because in 5 regencies and 1 city from 2015 to 2018 there was no significant increase in the average length of stay of tourists. For example, in Bone-bolango Regency, which only has 1 hotel and does not have a place to stop or rest provided by the local government. Another reason is that the average length of stay has a negative and significant impact on per capita income because it is not yet robust and optimal in developing and promoting attractions, facilities and availability. These three pillars are central themes for local governments because they are closely related to average length of stay. Overlapping and multiple interests in the tourism sector, which makes cross-sector coordination more difficult.

When the tourist destination does not have attractive attractions and is only monotonous, tourists will not stay long at the tourist attraction. This attraction is an important component as an attraction for tourists to visit. This attraction can be done by innovating the resources in each region, because each region in Gorontalo Province has its own uniqueness.

Then, in terms of supporting facilities needed to support tourism activities, such as accommodation, entertainment and culinary needs, this can have an impact on the length of stay of tourists. This research shows that these facilities have not been optimally promoted by travel agencies so that tourists will not visit the place for long. Plus the lack of maintenance of tourism facilities will also have an impact on reducing the length of stay of tourists.

Another component is the accessibility component related to transportation and supporting infrastructure such as roads to tourist attractions. It is likely that each region has its own accessibility component, because if the accessibility of communication, road infrastructure is adequate, the distance traveled by tourists to tourist attractions will not be a big problem. However, the lack and difficulty of finding transportation, making it impossible to connect one place to another. Road infrastructure is also an important factor, because if the road to a tourist destination is bad, tourists will discourage them from going to that tourist destination.

The three components mentioned earlier are some of the statements that cause the average length of stay of tourists to have implications for a decrease in the per capita income of the community. Therefore, local governments need to encourage investment in the context of destination development in the region. The existing tourism potential always needs to be explored, both in terms of nature and culture, arts, crafts and culinary.

Then the length of stay of tourists more than one day will usually get a discount, this rate reduction will reduce hotel revenue. Tourists will also choose a place to stay not far from the destination location, this will also reduce the accommodation spent by tourists.

The results of this study are in line with research conducted by Hermanto (2020),, stating that the length of stay of tourists will have a negative impact on community per capita income. Alghifari (2018), the results of his research agree with the results of this study that length of stay will respond negatively to community per capita income.

### **CONCLUSION & SUGGESTION**

#### Conclusion

After the output of the research results has been shown and discussed in detail, the researcher can draw conclusions from the research entitled "Analysis of the Tourism Sector on Community Income in Gorontalo Province". Among others as follows; 1) There is positive and significant relationship а between the number of tourist visits and the variable community per capita income. This means that if the number of foreign tourist visits and foreign tourists visiting Gorontalo Province increases, the community's per capita income will increase; 2) The number of hotels has a positive and significant effect on people's per capita income. This means that if the number of hotels increases, the per capita income of the community will increase; 3) Average length of stay has a negative and significant effect on per capita income of the community. An increase in the average length of stay can reduce the community's per capita income. Because if tourists are more than one day they will usually get a discount, this rate reduction will reduce hotel revenue. Tourists will also choose a place to stay not far from the destination location, this will also reduce the accommodation spent by tourists.

#### **Suggestion**

From the results of the study and then the conclusions of the study, the researchers

made several recommendations so that the tourism sector could increase the income per capita of the community 1) The need for updating tourist data visiting all tourist facilities in the area. Incorporate different forms of travel spending into each attraction. This is necessary to evaluate and formulate a tourism development strategy in the future towards a better direction and not to forget about innovation; 2) Consideration of investment in the tourism sector must consider the components of attractions, facilities and accessibility. This encourages tourism to contribute to sustainable economic growth; 3) Local governments must also encourage investment in the context of developing regional destinations. Existing tourism potential must always be explored, both in terms of nature and culture, crafts and culinary.

#### **Implications and Limitations**

This research has both theoretical and practical implications. Theoretically, this research adds knowledge about developed tourism, adds insight, especially for writers and generally for readers about the number of tourist visits and knowing how the development of the tourism sector on people's income and in Gorontalo Province. This research can be used as a guide or guide in developing similar research. Practically, this study provides benefits for other related institutions in an effort to find out the tourism sector as a source of income for the people in Gorontalo Province. In the form of policy this research is expected to encourage the government in an effort to improve the tourism sector in Gorontalo Province, provide input for the government in increasing tourism and is expected to be a reference for the government in developing the tourism sector.

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