# THE EFFECT OF VISA FREE TOWARD HOTEL BUSINESS SECTOR IN NORTH SULAWESI (CASE STUDY AT LION HOTEL IN MANADO)

EFEK BEBAS VISA MEMPENGARUHI BISNIS HOTEL SEKTOR DI SULAWESI UTARA (STUDI KASUS PADA LION HOTEL DI MANADO)

> by Karina Siahaan<sup>1</sup> Paulus Kindangen<sup>2</sup> Willem J.F.ATumbuan<sup>3</sup>

<sup>123</sup>Faculty of Economics and Business, International Business Administration, Management Program Sam Ratulangi University Manado

#### E-mail:

<sup>1</sup>karinasiahaan95@yahoo.co.id <sup>2</sup>pauluskindangen@yahoo.com <sup>3</sup>wif alfa@yahoo.com

Abstract: An increase in the number of foreign tourists coming into Indonesia, especially North Sulawesi is very high. The Government should increase the number of each facility. Foreign tourists need a wide range of facilities to enjoy every sightseeing trip in Manado. Maximizing the existing public facilities is very important. The aim of this study is to identify and analyze the Effect of Visa-free toward hotel business sector in North Sulawesi. This research used snowball analysis. The type of this research is descriptive research and used qualitative research method. Population in this research are HRD employees and marketing employees of Lion hotel. The samples of this research are 20 informants. Based on the result, this research found out that Visa-free gives effect toward Hotel business sector. The result shows that visa-free entry policy has a positive impact on the number of tourist arrivals. For hotel business, especially Lion Hotel Very need to pay attention to the things that become the criteria of customer satisfaction. In particular, in the increase in employees work ethic and the way employees interact with guests of the hotel in order to create a good impression for all hotel guests who visit.

**Keywords:** visa free, hospitality, tourism, marketing, and snowball method.

Abstrak: Jumlah kunjungan turis luar negeri yang masuk ke Indonesia, khususnya Sulawesi Utara semakin meningkat. Pemerintah juga harus meningkatkan fasilitas untuk menghadapi keadaan yang sedang terjadi. Pengunjung membutuhkan fasilitas yang baik agar mendapatkan kesan yang baik dan memuaskan. Harus ada peningkatan Fasilitas umum maupun pelayanan fasilitas akomodasi. Tujuan dari penelitian ini adalah untuk mengidentifikasi dan menganalisis pengaruh bebas visa terhadap bisnis hotel sektor di Sulawesi Utara. Penelitian ini menggunakan metode analisis snowball. Jenis penelitian ini adalah penelitian deskriptif dan menggunakan metode penelitian kualitatif. Populasi dalam penelitian ini adalah karyawan bagian sumber daya manusia dan karyawan pemasaran Hotel Lion. Sampel dari penelitian ini adalah 20 informan yaitu pelanggan yang sedang menginap di Hotel Lion. Berdasarkan hasil penelitian ini diketahui bahwa bebas visa memberikan pengaruh terhadap sektor bisnis hotel. Selain itu, juga ditemukan bahwa kebijakan bebas visa membantu dalam memperkenalkan serta memasarkan potensi wisata di daerah tertentu. Hasilnya menunjukkan bahwa kebijakan bebas visa memiliki dampak positif pada jumlah kedatangan wisatawan. Pada bisnis hotel, khususnya Lion Hotel agar memperhatikan etika dan kemampuan setiap karyawan untuk memberikan kesan terbaik dan pelayanan yang maksimal untuk setiap tamu yang berkunjung.

Kata Kunci: bebas visa, perhotelan, pariwisata, pemasaran, dan methodologi snowball

#### INTRODUCTION

## Research Background

Everyone in the world needs some activities that can refresh their mind away from their daily routine. Tourism is doing trip activities to get pleasure, satisfaction, and knowledge and to cure illness, enjoy sport or rest, carry out duty, making a devotional visit to a sacred place and others (Adams, 1997). According to McIntosh, Goeldner, and Ritchie (1995), tourism is a composite of service and industry activities that deliver a travel experience, transportation, accommodation, eating, shopping, entertainment, activity and another hospital service available for industry or group that are away from home. The use of visa for foreigners on their visit to another country is the first step to ensure the security of a country from outside threats. Only a person who has a valid visa allowed to enter the territory of the country. In the first stage, there are 30 countries that got the short stay Visa-Free facilities that are signed by the Indonesian President on June 9<sup>th</sup>, 2015.

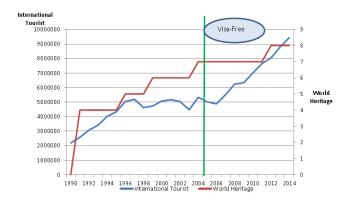


Figure 1. Comparison of the Number of Tourist Arrivals in Indonesia with World Heritage Source: BPS, UNESCO (2015)

After Visa-Free implementations in Indonesia, there are some changes that happened. Based on figure 1 the change in the number of tourist arrivals after visa policy was issued. The increasing number of tourist is in line with the increasing number of heritage sites in Indonesia. Meanwhile the increasing number of heritage sites will be in line or not with expanding the number of countries with Visa-Free entry. The Directorate General of immigration of Indonesia stated that the country was freed from the obligation of 169 has a visa for the purpose of a visit to Indonesia. As stated by the Minister of Tourism, Arif Yahya told the media that to achieve the target of 20 million tourists by 2019; the Ministry of Tourism has issued regulations that facilitate foreign tourists in visiting Indonesia as well as for traveling in Indonesia (Syakdiah, 2018). Generally, Indonesia has many tourism potentials. According to Warouw, Langitan and Alamsyah (2018), the number of foreign tourists to visit Indonesia from January to November 2016 reached 10.41 million tourists. Accommodation is one of the most important tourist facilities, the number of arrivals which very much, certainly requires a very large number of accommodations. As time goes by, on December 12th, 2012, Lion Air expanded their business into the world of Hospitality Business industry, Owner of Lion Air Mr. Rusdi Kirana bought the building which was originally the old building of Boulevard Mall that now has become a hotel located in Bahu Mall Jl. Piere Tendean No. 19 named Lion Hotel and Plaza Manado or PT. Lion International Hotel. Lion Hotel is located strategically right on the seashore of Boulevard in Manado, North Sulawesi. Below is the number of tourist visits in 2013-2017 (January – July, 2018) visiting North Sulawesi:

Tabel 1. Total Visits of tourists in North Sulawesi

Year	<b>Total Foreign Tourist</b>	<b>Total Domestic Tourist</b>	
2013	25.753	584.269	
2014	34.443	832.015	
2015	32.400	1.070.681	
2016	47.103	1.484.402	
2017	87.976	1.698.523	
2018	61.722	847.956	

Source: Regional Tourism Office in North Sulawesi, 2018

Note: \*) The number of tourists from 2013 until 2017 data for one year

\*) The number of tourists in the year 2018 only concludes half-year data from the month of January to June.

The hotel consists of 170 rooms. Lion hotel Manado competes with other hotels in North Sulawesi, ranging from 3-star hotels to luxurious hotels. Hotels are demanded to maximize every aspect that a tourist needs such as improving services and initiate promotion to attract tourists. If these aspects are being forsaken tourists are less keen to stay at Lion hotels and will choose a cheaper hotel under the standard of Lion hotel. For that reason, maximizing service and initiate new promotions are necessary steps to take for Lion hotel to compete with other hotels in North Sulawesi. Based on previous explanation the researcher wants to conduct research on the effect of Visa-Free tourist toward the hotel business sector in North Sulawesi.

#### **Research Objectives**

Based on the background above, the problem of this research can be formulated as to know the effect of Visa-Free tourist toward the hotel business sector in North Sulawesi.

#### THEORETICAL REVIEW

## Marketing

Marketing is advertising to advertising agencies, events to event marketers, knocking on doors to salespeople, direct mail to direct mailers. In other words, to a person with a hammer, everything looks like a nail (Burnett, 2008). In marketing, the animosity construct concerning the analysis of purchase behavior for products made in hostile countries or in nations who is political, economic policies or religious practices are seen as unacceptable is based on Klein, Ettenson, and Morris (1998).

## **Marketing Mix**

According to Goi (2009), in developing a marketing mix, the marketing manager selects the elements to combine in an effort to meet the needs of a target market. The marketing mix commonly called *four Ps*, reduces the number of variables in the marketing function to four broad classifications: product, price, promotion, and place.

#### **Promotion**

According to Healey (2013), Promotion efforts can be directed to the ultimate consumer, to an intermediary such as a retailer, a whole saler or a distributor, or to both. Promotion is fundamental to the success of your firm because, without promotion, potential customers will not know about the existence and benefits of your product or service. She mentions that there are five main promotional elements used in developing a firm's promotional program are advertising, personal selling, public relations, sales promotions, and direct marketing.

#### Visa-Free

According to Pujiharini and Ichihashi (2016), they mention that Visa-Free entry has been an important policy to attract a number of international tourists. Visa-Free entry from Korean to Japan was statistically significant with respect tothe increase in the number of Korean tourist to Japan and receipts from the tourism sector.

#### **Tourism**

Tourism is defined as the activities of persons identified as visitors. A visitor is someone who is making a visit to the main destination outside his/her usual environment for less than a year for any main purpose including holidays, leisure, recreation, business, health, education or other purposes (UNWTO, 1995).

# **Hotel Business**

The hotel Business is the servicing business conducting another significant branch in the economic development of the country. In general, to be called a hotel, an establishment must have a minimum of six letting bedrooms, at least three of which must have attached (ensuite) private bath room facilities.

## **Empirical Studies**

According to Skeete and Prosper (2016) In line with recent tourism international organizations' outcry on stringent visa regulations for short-term travel negatively impacting the tourism industry, this paper sheds light into why some countries have more tourist Visa-Free access than others. The results also inform theory in devising an appropriate framework for visa strategic analysis.

According to Pujiharini and Ichihashi (2016) Many countries have applied a new Visa-Free policy to boost the number of international tourist. In 2003, the Presidential Decree of the Republic of Indonesia No. 18/2003 concerning the Exemption from Brief Visit Visa for citizens from 11 countries was enacted. The results show that the new Visa-Free entry policy has a positive impact on the number of tourist arrivals. The new visa policy positive significantly can boost the number of tourist arrivals.

According to Lee, Song and Bendle (2010) Although Visa-Free entry is important to tourism flows across borders there hasbeen limited academic research into the effects of this arrangement on international tourism demand. The results showed that for Koreans visiting Japan, introducing Visa-Free travel was statistically significant with a positive sign. In the first year tourists increased by 12.1 percent and receipts by \$US246 million and in the second year tourists increased by 25 percent and receipts by \$US792 million. The key finding is that in a market with strong effective demand, the influence of a change to Visa-Free entry could be greater than 20 percent.

#### RESEARCH METHOD

## Research Approach

The type of this research is qualitative research. Sugiyono (2013) mentioned that the reasons for using qualitative data are, "because the problems are not clear and need to be identified holistically. The subjects are complex, dynamic, and full of meaning so that is quite hard to measure in quantitative approaches". The type of this research is explanatory.

## Population, Sample Size and Sampling Technique

The population is all cases, situations or individuals who share one or more characteristic. According to Sekaran and Bougie (2010), the population is the entire group of people, events or things which a researcher desire to research. According to Sugiyono (2013), the sample is the part of the number and characteristics of the population. There are 20 informants which are the sample for this research. The research was conducted on June to July 2018.

According to Biernacki and Waldorf (1981), Snowball sampling is a method that has been widely used in qualitative sociological research. The method yields a study sample through referrals made among people who share or know of others who possess some characteristics that are of research interest. In this research, researchers obtained information and data by interviewing Lion hotel employees from the chief of Public Relation sector and the chief of Human Resources Development sector to get information about employees performance with alternating time and gradually.

## **Data Collection Technique**

The in-depth interview is unstructured one to one discussion session between a trained interview and an informant (Hair *et al.*, 2006). A stated interview is a useful data collection method for explanatory research. According to Sekaran and Bougie (2010), stated that the interview is a useful data collection method for explanatory research.

# **Operational Definition and Research Variables**

The operational definition is a construct in measurable terms by reducing it from its level of abstraction through the delineation of its dimension and elements. In this research, the case study is how the government policy on Visa-Free supports business in various countries, especially the hotel business industry. Researchers took the case in North Sulawesi, observing the Visa-Free impact on the hotel business industry in Lion hotel Manado.

### **Instrument of Research**

The key instrument of this research is the researcher himself. The researcher is under the supervision and has a good understanding of the aspects of this research. The researcher equipped with a notebook, a recorder, and a camera in order to conduct interviews. Atkinson, Delamont and Coffey (2004), said that "The biggest problem novices find when preparing for ethnographic fieldwork is that the methods books are not explicit enough about what to observe, how to observe and what to write down".

## **Data Analysis Method**

In qualitative research, analyzing the data does not use the statistical measurement because a type of research that develops a theoretical concept. Qualitative data analysis is a type of inductive which when the data are being gathered, the next step is the data are to be developed to find a pattern or model or to become a

hypothesis. After the hypothesis, it needs advance data to draw the conclusion using triangulation to become theories (Bogdan and Biklen, 1982).

#### **Qualitative Data Analysis**

The qualitative study needs analysis the data for our research in order to make sense of it and to make access to the researcher and people who read the report of the research. Qualitative analysis is the process of turning written data such as interview and field note into findings.

#### Reliability and Validity

In qualitative research, reliability is the degree of consistency in assignment of similar words, phrases or other kinds of data to the same pattern or theme by different research. Validation in qualitative research is the extent to which qualitative findings accurately represent the phenomena being examined (Hair *et al.*, 2006).

## RESULT AND DISCUSSION

#### Result

The first informant is Mrs. Merry Bawias, a marketing staff at Lion hotel. She began her career at Lion hotel for 1 year after the enactment of Visa-Free in North Sulawesi. She knows everything about the increasing number of guests that continuously increasing through the available data. Mrs. Merry said: "This cooperation is very simple, starting with a good relationship between lion hotel owners and a traveling businessman who is experienced in handling Chinese tourists".

The second informant is Mr. Gustaf. He is a human resources development manager at Lion hotel. Working in the lion hotel from the start of the lowest position makes him very understand of the lion hotel condition. Mr. Gustaf never thought that he would be a manager. But he is very good and skilled manager in human resources department. About additional recruitment, He said that "There is no additional recruitment. But since the existence of Visa-Free, recruitments are increasingly stringent in the field of language". The skill of language is a plus and greatly influences recruitment in each section. Basically, all fields need improvement because it takes all of them to work together to produce and provide good service quality at our hotel. Mr. Gustaf said that "As one of the star hotels in North Sulawesi, service quality is the most important factor to provide to the customers who are why Lion Hotel needs to constantly improve the services to satisfy our customers and also to keep up with the trend in this business". Also important for the customers to experience direct services from the Lion Hotel such as good communication with our employees and comfortable rooms.

# Analysis the questionnaire result from the customer of the Lion hotel Informant 1

A Man comes from Beijing 43 years old. Work as an employee with income above US\$1000 per month. He said, "I'm interested in every event held in North Sulawesi, the last time I visited North Sulawesi about 2 months ago and I've visited 5 times". He said, "Visa-Free is one of the reasons for me to visit repeatedly to North Sulawesi, plus easy access to travel with airplane without transit".

# Informant 2

A woman from China who work as a private employee with salaries above US\$1000 per month, She is 32 years old. She said "The first time I know North Sulawesi from my friends who have visited North Sulawesi. Knowing that had been imposed on the Visa-Free and cheap cost of living in North Sulawesi make me feel interested to spend my vacation here.

# Informant 3

She came from Khanton, work as private employee with salaries around US\$900-US\$1000, She is 34 years old. She said "Visa-Free, the cost of living is very cheap, the aircraft without transit and varied tourist attractions is a consideration I devote considerable decided to pay a visit to this place. I am amazed by the natural beauty of North Sulawesi overall, especially Bunaken and particular monument statue of Lord Jesus".

# Informant 4

Informant from Khanton, 27 years old she works as a self employee. She has a fairly enough salary around US\$900-US\$1000 per month. She said "Turns out the plane without transit attracted me to spend vacation time with family. When we arrived in North Sulawesi, it turns out that nature did not disappoint me.

That time, I promised to come back here for the holidays, and then there was my second visit. This time I visit in a group tour".

#### Informant 5

A woman 38 years old from Beijing, working as an employee. This woman knows the North Sulawesi through the internet, after hearing that access to North Sulawesi. Only by plane without transit. She *said* "When I heard that the presence of tourist destination in another country with low price, Visa-Free, and plane without transit, I immediately find information travel providing travel tours to North Sulawesi. I follow the tour along with the number of tourist 20 members in groups".

#### Informant 6

A man from China, aged 36 years old and work as a self employed. He knows North Sulawesi from the tour operator. He said "Actually I just wanted to visit Papua for the weekend this time, but I can still imagine the natural beauty of North Sulawesi's which I have visited six months ago. Given that the cost of living in North Sulawesi is not expensive and I had enough to know the North Sulawesi tour so, I came here Myself.

#### Informant 7

A woman from Tiongkok, 44 years old, work as an entrepreneur with salary around US\$700-US\$800 per month. She said "In my opinion, the cost of visiting the North Sulawesi can be categorized as expensive. But with the wonderful natural beauty of North Sulawesi, I don't feel a loss to visit North Sulawesi".

#### Informant 8

A man from Beijing 28 years old, work as an employee with salary around US\$700-US\$800 per month. He said "I prefer using the tour bus as my transportation during my visit in North Sulawesi. Other vehicle seems to be really interesting, but I'm still quite unfamiliar with North Sulawesi in detail".

#### Informant 9

A man from Khanthon, 32 years old, work as an entrepreneur with the salary >US\$1000 per month. He said, "This is the first time I visited North Sulawesi to spend my holidays". Service employees of Lion hotel was very friendly, the only weakness of the employees of Lion hotel that he found the employees can't speak foreign languages well.

## Informant 10

A 24 years old from China, He works as an employee with salary around >US\$1000 per month. This is his third trip to North Sulawesi, He said "I know North Sulawesi for the first time through my friends in the Office. Various conveniences to visit North Sulawesi makes me more interested in visiting North Sulawesi for several times. Walk around the city of Manado really exposed the beauty of North Sulawesi".

# Informant 11

He came from China work as an employee with salaries around US\$900 – US\$1000, he is 29 years old. This is the first time to visit North Sulawesi and he came with his friends. He said "North Sulawesi is the main destination as an interesting place to spend the time in a work day. Finallyl, I get information about North Sulawesi from my friends. I'm fond of walking during my trip in North Sulawesi. The cost that I have spent in North Sulawesi is very cheap".

#### Informant 12

He came from China and work as an employee with salaries around US\$900 – US\$1000, he is 35 years old. His first visit to North Sulawesi was six months ago. He said "North Sulawesi is an interesting place to spend the weekend. Finally, I get information about North Sulawesi from my family and travel agency. I chosed a starred hotel as my accommodation. I am amazed by the attitude of North Sulawesi people that the people are friendly and also the beauty of the nature".

#### Informant13

She came from China and work as an entrepreneur with salaries around >US\$1000, she is 64 years old. Previously she visited North Sulawesi last year. She said "North Sulawesi is an interesting place to spend time

in a work day. I The cost of living is very cheap, beautiful nature, the aircraft without transit and Visa-Free are the reasons why I decided to pay a visit to this place.

#### Informant 14

He came from China and his occupation is as a retired employee with salaries around US\$700 – US\$800, he is 64 years old. He said "I get information about North Sulawesi from my family and travel agency. The cost of living is very cheap, beautiful nature, the aircraft without transit and Visa-Free are the reasons why I decided to pay a visit to this place. I'm fine with walking and also used the bus as my transportation during my stay in North Sulawesi. The cost that I have spent in North Sulawesi is very cheap. I choose a budget hotel as my hotel".

#### Informant 15

Came from China, work as an entrepreneur with salaries abround US\$900– US\$1000, she is 30 years old. She said "North Sulawesi is an interesting place to spend the holiday. I'm fine with walking and also used the bus as my transportation during my stay in North Sulawesi". They stay at a starred hotel namely Lion hotel.

#### Informant 16

Informant came from China and work as an employee with salaries around US\$900 – US\$1000, she is 35 years old. She said, "North Sulawesi is an interesting place to spend my holiday, I get information about North Sulawesi from my sister. The aircraft without transit and the cost of living is very cheap are the second reason after Visa-Free that be a consideration in considering to pay a visit to this place".

#### Informant 17

He came from China and work as an entrepreneur with salaries around US\$700 – US\$800, he is 55 years old. Previously he visited North Sulawesi last year. He said, "North Sulawesi is an interesting place after Bali. Finally, I get information about North Sulawesi from my family. I am amazed by the attitude of North Sulawesi people that the people are good and friendly and the variation of destination in North Sulawesi"

#### Informant 18

Informant came from China and work as an entrepreneur with salaries around >US\$1000, He is 49 years old. This is the second time he visited North Sulawesi and he came with the four of his friends. He visited North Sulawesi six months ago. He said, "North Sulawesi is an interesting place after Hongkong. I'm fine with walking and also used the bus as my transportation during my stay in North Sulawesi. The cost that I have spent in North Sulawesi is very cheap".

#### Informant 19

Informant came from China and work as an entrepreneur with salaries around US\$900 – US\$1000, she is 38 years old. He said "North Sulawesi is an interesting place after Hongkong. The cost of living is very cheap, beautiful nature, the aircraft without transit and Visa-Free are the reasons why I decided to pay a visit to this place. I'm fine with walking and also used the bus as my transportation during my stay in North Sulawesi".

#### Informant 20

Informant came from China and work as a student with salaries around < US\$500, she is 28 years old. She said "North Sulawesi is an interesting place to spend the holiday. I get information about North Sulawesi from my family. The cost of living is very cheap, beautiful nature, the aircraft without transit and Visa-Free are the reasons why I decided to pay a visit to this place. I'm fine with walking and also used the bus as my transportation during my stay in North Sulawesi. The cost that I have spent in North Sulawesi is very cheap.

## **Description of Research Variable**

# Tabel. 2 Research Variable

	Lion Hotel	Customer
Service	-As acompany that major in service industry, Lion hotel always ready in	-Seventy five Percent Informant (Informant 1, 2, 3, 5, 6, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20), said that they feel satisfied visits North Sulawesi because of Lion Hotel service. Fourty Informants
	giving the best service	(Informant 3, 7, 9, 11, 14, 16, 17, 18) feel comfort because of

for every customer.

-Communication (Language trainning stil on process, for employee toward increasing quality of service Lion hotel). employees have good attitude and friendly in Lion hotel, Fifteen Informants (Informant 12, 15, 20) giving reasons because Lion hotel clean make they feel comfort, and five percent Informant (Informant 2) because of delicious food of Lion hotel.

-Twenty five percent Informants (Informant 8, 9, 14, 15, 20), they said employees should be more understanding of foreign languages so that created better communication between employ yees and guests of Lion hotel.

## **Marketing**

-Worth of Mouth information about North Sulawesi -Seventy Percent Informants (Informant 2, 4, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20), Know about North Sulawesi from worth of mouth (Friend, Family and others). North Sulawesi is recommended destination because visitors are satisfied against trips to North Sulawesi, has not been doing their direct marketing activities.

-Source Information about North Sulawesi

-Twenty percent Informants (Informant 1, 3, 6, 7), know about North Sulawesi from advertising of travel agent, and (Informant 5, 7) know from internet source.

-Increasing the number of guests after existence of Visa-Free

-Ninety percent Informants (Informant 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 15, 16, 17, 18, 19, 20), make Visa Free as the main attractive reason to visits North Sulawesi. They said "Because the process is easier for us to visit an area will add convenience and attractiveness of the area to visit".

## **Facility**

-Visa-Free facility that became the main reason tourists are increasingly interested in visiting the North Sulawesi, in support of natural beauty and the aircraft without transit. -From all informant, Visa Free was able to be the reason that most affect the informat to visit North Sulawesi and the beautiful nature in the added convenience of a visit to North Sulawesi make the informant, falls in love with a North Sulawesi. There are several other reasons that make the informant feel interested to visit do not even cover possible informant will be back again for a visit to North Sulawesi. Twenty five percent Informants (Informant 4, 7, 12, 13, 16), feel satisfied with the plane without transit, comfortable and the growing ease of travel in pursuit of the more interested to visit the venue. Even the informant made the aircraft without the transit as the second reason for a visit to North Sulawesi after Visa Free .

-Facilities of Lion hotel

-Seventy five percent Inform ants (Informant 2, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15, 17, 18, 19, 20), Said that Lion hotel's swimming pool as the most preferred amenities. The new swimming pool at Lion hotel and directly facing the sea make the increasing attractiveness of the informant to stay at Lion hotel". Twenty five Informants (Informant 1, 3, 6, 11, 12), choose sports center (Gym center) as the favourite place.

Source: Data Processed, 2018

#### **Discussion**

Natural potential, easy access to destinations and affordable costs are the reason tourists visit a tourist spot. The collaboration Lion hotel with travel company is very simple, starting with a good partnership between Lion hotel owners and a traveling businessman who is experienced in handling Chinese tourists. Government policy regarding Visa-Free and airplane without transit for Chinese tourists entering North Sulawesi makes travel owners very interested in cooperating with lion hotels, Lion airline being one of the airlines believed by the North Sulawesi provincial government to have a major impact on Lion's development hotel and very important role in the process of cooperation that occurred.

Seethanah (2011), stated that tourism infrastructure is an important factor to create pride in destinations for local people in addition to prices, distance and income of tourists in the country of origin. Domestic tourist basically dominates the percentage of hotel guests. For Lion hotel annual data from a total of 100 percent of guests staying at Lion hotels, 69 percent are domestic tourists and 31 percent are foreign tourists. Of the 31 percent of foreign tourists staying in Lion hotels, 29.05 percent are tourists from China and the remaining tourists from other countries outside of The Committee of Statistics Experts of the League of Nations in 1937 stated that: Tourists are every person who visits a country other than the country where he usually lives and with a period of at least 24 hours. Tourists who feel satisfied with a visit to an area will tell directly to the person they met. Indirectly, this is an unconscious marketing activity that has promoted the area that has been visited, thus North Sulawesi will be increasingly recognized at home and abroad. Visa-Free has an impact on Lion hotel services, namely, the more frequent coordination in all parts. The general manager directly coordinates with all field managers to improve Lion hotel services to provide the best service for guests. The impact felt by consumers who are also the informant in this study is the cleanliness of each room and the hospitality of all employees. Therefore tourism destinations can be explained at different scales ranging from the village level to the region, city or resort, special sites and even just the special attractions visited by tourists.

#### CONCLUSION AND RECOMENDATIONS

## Conclusion

Natural resources in North Sulawesi is very superior in the field of tourism should be beneficial the most in various aspects, such as the absorption of labor through an existing business or that will be formed. In the hotel business, the beauty of natural attraction in North Sulawesi is very influence and provide a positive impact. An increase in the quantity or quality of hotel guests also plays an important role in improving the quality of the hotel business. Lion hotel is one example that we can see. After Visa-Free imposed in North Sulawesi, the rapid changes in the number of guests the Lion hotel are very clearly visible. This change was visible in various aspects, such as an increase in the number of guests. Visa-Free also gives a positive impact in terms of quality of service at the Lion hotel. The increase in the number and quality of the guests make employees across the field motivated to give the best service. Best services given through work ethic, an ethic when communicating with guests, even to the improved quality of the clean liness of the hotel is always strived to dress up the best service and endeavor to provide comfort for the guests, the existence of cooperation solid in various fields will form a team with the maximum work. Even as it seeks to improve the Lion hotel employee capabilities in mastering foreign languages such as Chinese and other languages. This was done to support the best quality of service, especially when communicating with foreign guests.

## Recommendations

- 1) For the hotel business very need to pay attention to the things that become the criteria of customer satisfaction and the constraints of the employee within the maximum service for hotel guests. Because with the guests feel comfortable and get a good impression, the guests will tell the positive things to friends, family, colleagues or others who found about a positive impression while staying at the hotel. Indirectly, already a strategy and marketing activities that can improve the quality and quantity of guests of the hotel.
- 2) For university, to give the students, lecturers and other parties especially economic and business faculty some knowledge and additional information about hotel business and how Visa-Free give effect toward the hotel business sector.
- 3) For the future researcher, it is recommended to choose a method other than the snowball sampling method in the same case and research material. In addition, the next researchers are expected to provide a more detailed understanding of future research so that the community will better understand and utilize every applicable policy.

## **REFERENCES**

Adams, K. 1997. Ethnic Tourism and the Renegotiation of Tradition in Tana Toraja (Sulawesi, Indonesia). *Journal Ethnology*, 36(4), p. 309-320. Available on: <a href="https://pdfs.semanticscholar.org/%201546/37c">https://pdfs.semanticscholar.org/%201546/37c</a>
<a href="mailto:5b6%20bf-5aef44b5-6%207b6c46f8e.pdf">5b6%20bf-5aef44b5-6%207b6c46f8e.pdf</a>. Retrieved on: 25<sup>th</sup> August, 2018.

Atkinson, P., Delamont, S., and Coffey, A. 2004. Key Themes in Qualitative Research: Continuities Changes.

. Article. Rowman Altamira. Available on: <a href="https://scholar.google.co.id/scholar?+Atkinson%20%2C">https://scholar.google.co.id/scholar?+Atkinson%20%2C</a>
+Delamont%2C+S.%2C+and+Coffey%2C+A.+2004.+Key+Themes+in+%2Qualitative+Research%3A
+Continuities+Changes.+Rowman+Altamira.&btnG. Retrieved on: 6<sup>th</sup> July, 2018.

- Biernacki, P., and Waldorf, D. 1981. Snowball sampling: Problems techniques of chain refer sampling. So ciological methods and research. *Journal*. 10(2), 141-163. Available on: <a href="http://www.columbia.edu/itc/hs/pubhealth/p8462/misc/biernacki\_lect4.pdf">http://www.columbia.edu/itc/hs/pubhealth/p8462/misc/biernacki\_lect4.pdf</a>. Retrieved on: 30<sup>th</sup> June, 2018.
- Bogdan, R., and Biklen, S. K. 1982. Qualitative research for education. Educational Research: Contemporary Issues Practical Research. *Journal*. Continuum, London. Available on: <a href="http://simbi.kemenag.go.id/">http://simbi.kemenag.go.id/</a> <a href="pustaka/">pustaka/</a> images/qualitative research methods for the social sciences.pdf</a> Retrieved on: 17<sup>th</sup> August, 2018.
- Burnett, J. 2008. Core Concepts of Marketing. The Global Text Project is funded by Jacobs Foundation, Zurich, Switzerland. *Article*. Available on: <a href="https://scholar.google.co.id/scholar?hl=en&as\_sdt=0%2C5&q=Burnett%2C+J.+2008.+Core+Concepts+of+Marketing.&btnG">https://scholar.google.co.id/scholar?hl=en&as\_sdt=0%2C5&q=Burnett%2C+J.+2008.+Core+Concepts+of+Marketing.&btnG</a>. Retrieve on: 2<sup>nd</sup> July, 2018.
- Goi, C. L. 2009. A review of marketing mix: 4Ps: *International journal of marketing studies*, *1*(1), 2. Available on: <a href="https://pdfs.semanticscholar.org/a358/4558bc0d5518441462740459fc8d2c72ad49.pdf">https://pdfs.semanticscholar.org/a358/4558bc0d5518441462740459fc8d2c72ad49.pdf</a> Retrieved on: 2<sup>nd</sup> August, 2018
- Hair, J. F., Black, W. C., Babin, B. J., Erson, R. E., and Tatham, R. L. 2006. Multi Variate Data Analysis. *Journal.* (Vol. .6). Available on: <a href="https://scholar.google.co.id/scholar?hl=en&asdt=0%2C5&q=Hair%2C+J.+F">https://scholar.google.co.id/scholar?hl=en&asdt=0%2C5&q=Hair%2C+J.+F</a>. %2C+ Black %2CW.+C.%2C+B bin%2C+B.+J.%2C+Erson%2C+R.+E.%22C+R.+L.+ 2006&btnG. Retriev d on: 22<sup>nd</sup> July, 2018.
- Healey, S. 2013. *Marketing Promotion* (8<sup>th</sup> ed.). Charles S. Dyson School of Applied Economics and Manageme nt College of Agriculture and Life Sciences Cornell University, Ithaca NY 14853-7801. Available on: <a href="https://scholar.google.co.id/scholar?hl=en&as-sdt=0%2C5&q=Healey%2C+S.+2013.+Marketing+Promotion+%288th+ed.%29.+&btnG=".Retrieved">https://scholar.google.co.id/scholar?hl=en&as-sdt=0%2C5&q=Healey%2C+S.+2013.+Marketing+Promotion+%288th+ed.%29.+&btnG=".Retrieved">Retrieved</a> on: 12<sup>th</sup> June, 2018.
- Klein, J. G., Ettenson, R., and Morris, M. D. 1998. The Animosity Model of Foreign Product Purchase: An Empirical Test in The People's Republic of China. *The Journal of Marketing*, 89-100. Available on: <a href="https://www.empgens.com/resources/AnimosityModel.pdf">https://www.empgens.com/resources/AnimosityModel.pdf</a>. Retrieved on: 23<sup>rd</sup> July, 2018.
- McIntosh, R. W., Goeldner, C. R., and Ritchie, J. R. B. 1995. Tourism: Principles. Practices, Philosophies. *Journal*. Available on: <a href="https://scholar.google.co.id/scholar?hl=en&assdt=0%2C5&q=McIntosh%2C+R.+W.%2C+Goeldner%2C+C.+R.%2C+and+Ritchie%2C+J.+R.+B.+1995.+Tourism%3A+Principles.journal+Practices%2C+Philosophies.&btnG=. Retrieved on: 24<sup>th</sup> September, 2018.
- Pujiharini, F., and Ichihashi, M. 2016. The Impact of Visa-Free Entry on the Determinants of Inbound Tourism Dem in Indonesia. *Journal*. (No. 6-5). Hiroshima University, Graduate School for International Development Cooperation (IDEC). Available on: <a href="https://www.mizuho-ri.co.jp/publication/">https://www.mizuho-ri.co.jp/publication/</a> research /pdf/eo/MEA1604 11.pdf. Available on: 2<sup>nd</sup> June, 2018.
- Seetanah, B. (2011). Assessing The Dynamic Economic Impact Of Tourism For Isl Economies. *Journal. 38*(1), 291-308. Available on: <a href="https://www.idosi.org/wasj/wasj32(6)14/14.pdf">https://www.idosi.org/wasj/wasj32(6)14/14.pdf</a> . Retrieved on: 22<sup>nd</sup> August, 2018.
- Sekaran, U., and Bougie, R. 2010. Theoretical Framework In Theoretical Framework Hypothesis Developm ent. Research Methods For Business: A Skill Building Approach, 80.
- Skeete, R. W and Prosper. F. B. S. 2016. Who Travels Visa-Free? Insights into Tourist Hassle-Free Travel. *Journal of Travel Research*. Available on: <a href="http://journals.sagepub.com/doi/abs/10.1177/004728751664">http://journals.sagepub.com/doi/abs/10.1177/004728751664</a>
  3410 Retrieved on: 29<sup>th</sup> June, 2018.
- Sugiyono. 2013. Metode Penelitian Pendidikan: Pendekatan Kuantitatif, Kualitatif, R&D. Alfabeta, Bandung.
- Syakdiah, S. 2018. Dynamics of Tourism in Special District of Yogyakarta. *Prosiding Semnasfi article*. *1*(1), 225-233 Available on: <a href="http://ojs.umsida.ac.id/index.php/semnasfi/article/download/1135/1077">http://ojs.umsida.ac.id/index.php/semnasfi/article/download/1135/1077</a>. Retrieved on: 30<sup>th</sup> September, 2018.
- UNWTO. 1995. Concepts, Definitions, and Classifications for Tourism Statistics. *World Tourism Organization journal*. 21. Available on: <a href="http://statistics.unwto.org/sites/all/files/docpdf/parti.pdf">http://statistics.unwto.org/sites/all/files/docpdf/parti.pdf</a>. Retrieved on: 24<sup>th</sup> June, 2018.
- Warouw, F. F., Langitan, F. W., and Alamsyah, A. T. 2018. Community Participation for Sustainable Tourism Model in Manado Coastal Area. *Article*. In IOP Conference Series: Materials Science Engineering (Vol. 306, No. 1, p. 012039). IOP Publishing. Available on: <a href="http://iopscience.iop.org/article/10.1088/1757-899X/306/1/012039/pdf">http://iopscience.iop.org/article/10.1088/1757-899X/306/1/012039/pdf</a>. Retrieved on: 25<sup>th</sup> July, 2018.