

DESTINATION ANALYSIS OF PETITENGET

Content: Destination Analysis and appendices

10th of May 2007

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Shift 2



**Breda University
of Professional
Education**

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A. Introduction

This destination analysis is the final delivery of the three week fieldtrip to South East Asia during the second year of the program International Tourism Management and Consultancy at NHTV Breda.

The fieldwork took our group to southwest Bali, to a little village named Petitenget. The research we conducted includes the investigation of current and past tourism developments, the present market situation, a cultural perspective upon the community we lived in, and general information about the tourism supply in and at the destination. Special attention will be given to four selected issues that we believe are essential for the characterization of our area.

The destination analysis plays a greater role in the ITMC curriculum, as further projects will be based upon it. The aim of this report is to inform about the tourism situation in Petitenget before starting new developments in this particular area. During the current and next semester, subjects as (Pre-) Feasibility Study will make use of this report to a great extend.

B. Typification

The typification of our area

The coastal area of Petitenget started its main tourism development as an extension of Seminyak in the late 90's, the area can be positioned in the involvement stage of the destination life cycle.

The middle- up to the exclusive-class accommodation and fine dine sector in the area, primarily target the up-market tourists including the Asian-market.

This brief description of Petitenget will be explained more in detail in the following paragraphs.

Location

Petitenget was once a small village north of Seminyak, which lies at the West coast of Bali, shortly north from Kuta and Legian. After tourism development started, Petitenget grew to a village along the main road, Jalan Petitenget, from Seminyak to Kerobokan. Officially Petitenget is a municipality of Kerobokan, but due to better recognition for tourists, the village associated with Seminyak or even Kuta.



The beach close to Petitenget plays a minor role in Petitenget's success as a destination, which is a reason to classify it as a coastal, not as a beach destination.

Tourism Supply in Petitenget

The accommodation facilities are directed to mid and high class tourists, offering hotels and private villas. The hospitality sector supports the supply with high class dining facilities. The amount of accommodation almost equals the restaurants and bars.

As supporting industries, Petitenget provides private transport services, laundries, supermarkets, tailors, art galleries, a furniture shop, a catering company and small local shops for ever day supply.

Attractions of Petitenget are, apart from the regional temple Pura
Petitenget that is located at the southern point of the area and close
to the beach, the restaurants along Jalan Petitenget.



Attracted Markets

Mainly because of the current accommodation types and dining facilities, Petitenget is associated with rich, up-market and high class tourists. These tourists mainly come from Europe or Australia, while the number of Asian tourists increases during the past years. The tourists choose Petitenget because of its proximity to the airport, while providing a quiet and relaxing atmosphere.

Day-tourists are attracted from all over Bali for two different reasons. First, Balinese Hindus visit the Temple for participating in offerings. Secondly, the range of restaurants and bars, some of them being well-known in whole Bali, attracts short stay visitors who spend one evening in these locations.

Tourism development

Petitenget was put on the tourist map in the early 90's of the last century¹, when first of all small private companies and businesses settled in the village, followed by only a couple of small sized hotels. Apparently, the lack of building space in Seminyak led to the initial development of Petitenget along the main road Jalan Petitenget. Because of this proximity, Petitenget can be seen as an extension of Seminyak and the Eatstreet, where high class cuisine can be found. After some restaurants, hotels and villas followed, Petitenget began to develop an own image, but is still associated with Seminyak in most cases. The effects of this villa development will be highlighted further in this report.

The latest tourism development in Petitenget started approximately in the year 2000. Most restaurants (Waroeng Bonita, Brown Sugar) and recent hotels (Taman Rosani, Puri Madawi) were planned and constructed shortly before or while the year of the first bomb in 2002.^{2,3,4} During that time Petitenget was growing steadily but eventually was set back in economic matters by the two bomb attacks.

One way to typify a destinations' situation concerning its level of tourism development is the Destination Lifecycle invented by Butler.⁶⁷

Examining the present situation in Petitenget, the area can be described as being in the late Involvement stage.

Our research showed that local Balinese people are still able to start their businesses in the field of tourism. Balinese-owned supermarkets, laundries and transport companies can be found along Jalan Petitenget and are used by both tourists and the local population. Also most waroengs are locally owned and frequently visited by Balinese locals.

Most other businesses (e.g. Bali Catering Company and Teck O. Coco) are owned by foreign

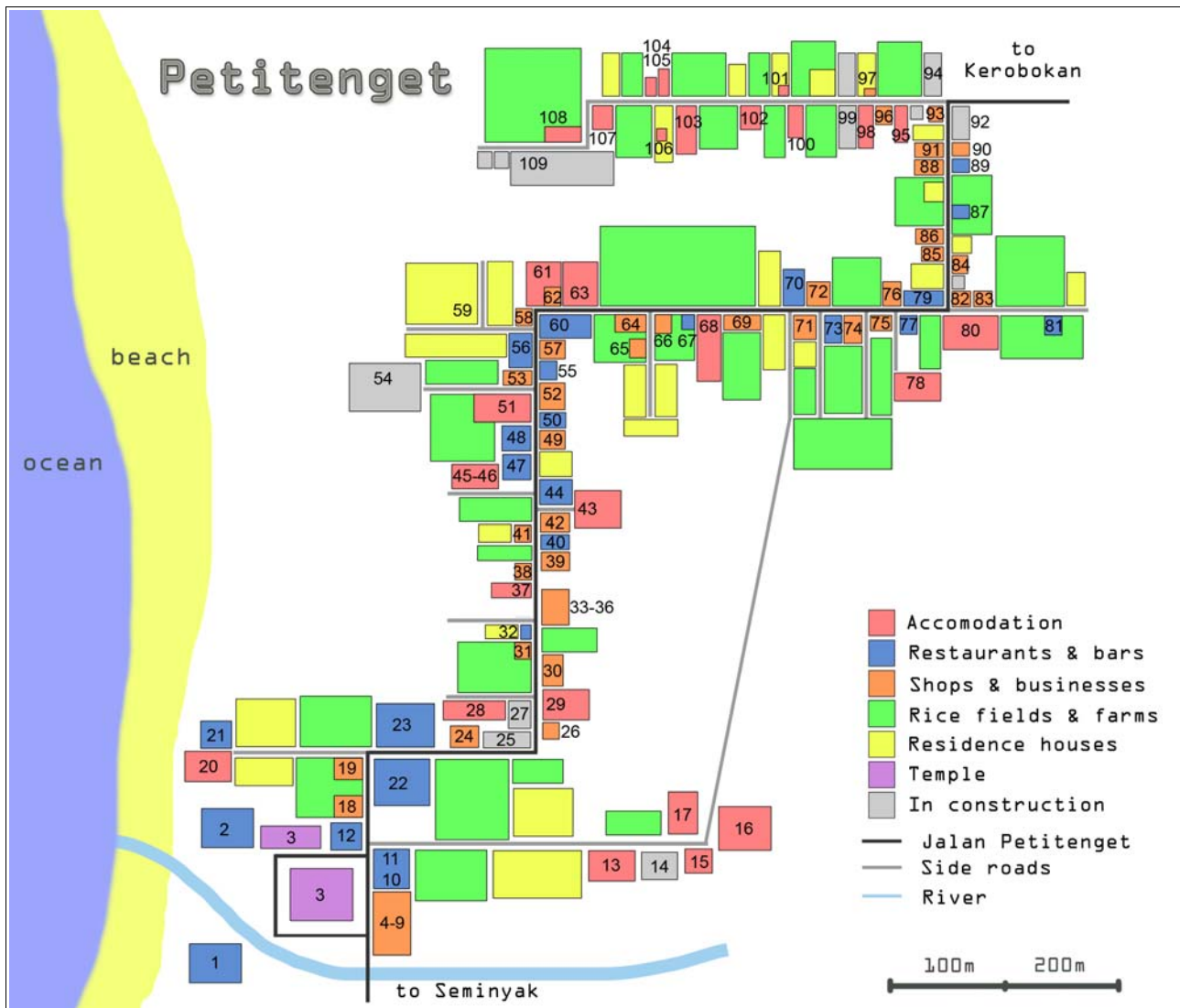
people. Among the several hotels, the amount of Balinese owners is quite high. None of the hotels are contracted by multinational companies, and still operate individually without management contracts. The foreign domination in financial matters in the area is about to start as land prices rise which increasingly only foreign private investors are able to pay.⁵

Occupancy rates vary between 35% and 55%, and hotel managers forecast an increase of visitor numbers. However, the boost in arrival numbers has not yet started. Although it is estimated that 80% of all tourists on Bali make use of mass tour operators,⁶ the amount of individual travelers in Petitenget is said to be little higher than average. This is due to the fact that tourists experienced how accommodation can be found trouble-free during low season on location without prior bookings, and the fact that most villas can only be rented via a single specialized operator which is located in Australia, Asia or Europe.

The infrastructural development is advanced concerning transportation matters, there is a safe and rebuilt main road and good connection to the airport via a new beltway around Kuta. The infrastructure shows deficits regarding the sewage system, which will be treated in detail in another part of this report.

Because of the fact that infrastructure needs to be improved and the government loses track of licensing and ensuring legality, we can speak of a lack of control on behalf of the government. This is a frequent situation in cases like Petitenget, where tourism development started ex-nihilo, and little previous infrastructure is available.

The map of our area



The legenda:

- | | |
|--------------------------------------|--|
| 1. La Luciola | 19. Sandika Carrental |
| 2. Mano Beach Side Bar | 20. Villa Pantai Biru |
| 3. Pura Petitenget | 21. Callego |
| 4. Bali Sunrise Carrental | 22. The Living Room |
| 5. Mini Shop | 23. Hu'u Bar |
| 6. Phoneshop | 24. Nawasanga Architects |
| 7. Sekar de Watu Carrental | 25. Buildingsite House with Swimmingpool |
| 8. Laguna Wartel | 26. Darwin Putra Carrental |
| 9. Warung Pusuruan | 27. Buildingsite shops |
| 10. Nasi Lawar Bali | 28. Alu Bali |
| 11. Warung Bu Daya | 29. Bali Mystique |
| 12. Restaurant le Tebu | 30. Teck O. Coco |
| 13. Helios Hotel | 31. Islands Concept Indonesia |
| 14. Bali Baik Villas In Construction | 32. Warung Tianyar |
| 15. Villa Li | 33. Blitek |
| 16. Sentosa | 34. Ayu Tailor |
| 17. Willy's Villa | 35. Hot Wave Tailor |
| 18. Hey Markt 24 h | 36. Mini Store Rama |

37. Island Villas Bali
38. Bali Mandiri Carrental
39. Buildingsite
40. Warung Sudi Manpir
41. Baru Shop
42. Amathy Bali Antique Homeware
43. Tony's Villa
44. Pandora Pizzeria
45. Villa Isis 2
46. Villa Pranu Bali
47. Brown Sugar
48. Cafe Tahu
49. Ayu Merta Carrental
50. Warung Ibu Wayan
51. Kayana
52. Dunia Laundry Service
53. Bali Catering Company
54. Intang Village – Under reconstruction
55. Warung Made
56. Venue @ the Moon
57. Taman Merah Spa
58. House (business offices)
59. Homes of Expatriots
60. Warung Bonita
61. Taman Ayu Bali
62. Tirtu Buwatu money change and carrental
63. Putu Bali
64. Spectrum Noodle Warung, flower shop and supermarket
65. Komotra Taxi Company
66. Okabawas Gallery
67. Warung
68. Bali Ayu Hotel
69. Kiosk
70. Bebek Bali
71. Lumbung Sari Scooter and HanY Disc and DVD shop
72. Exhibit Gallery
73. Warung Tante Ida
74. Ke'dazz Laundry
75. Kiosk and Warung
76. Wine Shop
77. Warung Enys
78. Villa Kecapi
79. Dahana Restaurant Gallery
80. Villa Lumbung
81. Kunja Restaurant
82. Telekom Shop
83. Swimming pool Shop
84. Shields Security Service
85. Gunawan tailor
86. Amertha Sari Car rental
87. Warung Kolega
88. Art retail
89. Ameca Restaurant
90. Lake Land Property
91. Triadi Property
92. Villa in construction
93. Kiosk and Scooter Rental
94. Villa in construction
95. Sanyas Suites
96. Pt. Bask Bali Export Silver and Gold
97. Kisok
98. Taman Rosani
99. Hotel in construction
100. Villa Steven Miller
101. LJ Huguen Villa
102. Villa Engang
103. Maya Loka Suites and Villas
104. Villa Ixora
105. Villa Listien
106. Villa Melati and Villa Kundalati
107. Villa Kerang
108. Puri Madawi
109. Resort and villas in construction

C. The Destination Mix

1. Attractions

Petitenget has several attractions where tourists are drawn to:

- ❖ Pura Petitenget
- ❖ Callego
- ❖ Waroeng Bonita
- ❖ The Hu'u Bar
- ❖ The Living Room

These attractions have different characteristics which will be outlined.



Pura Petitenget is a very important temple for our area. It is a primary destination for tourists because when there is an important event going on hundreds of Balinese people will come to this temple and are placing offers at the temple, which makes it a colourful event every time. Next to this it is also an attraction for Balinese people, who place offers there on events. The community of Petitenget is taking care of the temple with a non-profit policy. The community gets donations from tourists and the accommodation sector, as well as from the local people. Due to this the community can maintain and preserve the temple. Pura Petitenget is locally and regionally important enough to draw a huge amount of visitors.

The Callego and Waroeng Bonita are gay oriented. The Callego and Waroeng Bonita are both bars, restaurants and have spa facilities targeting at gay men. Given that Petitenget is known as the gay destination on Bali with the famous gay beach, the area is being promoted in online travel magazines. Tourists from all over the world are drawn to the Callego and Waroeng Bonita because of the gay friendly atmosphere²⁴.

The Hu'u Bar and the Living Room are secondary destinations. They attract all kinds of regional to international visitors that spend their holiday in the Southern part of Bali. These visitors look for entertainment at the Hu'u Bar and have an up class dinner in the Living Room⁷⁶.

These privately owned attractions are permanent site attractions⁶⁷.

2. Hospitality

During interviews we held with hotel/villa and restaurant managers we found out that their staff is trained to provide better service to guests. They motivate personnel to give an outstanding service that will result in a more satisfied guest who will spread positive reactions to other potential guests. To get to this point it may be necessary to change their present behaviour⁶⁷.

During interviews we heard that most employees are graduates from the international tourism school. The tourism school is called the Bali Tourism College (Sekolah Tinggi Pariwisata)⁷⁷ and it is located in Nusa Dua. It offers three main courses, such as Hotel Management, Tourism Management and Tours & Travel Management. The students are provided with theory but also put it into practice. Even will they learn foreign languages, English is obligatory and French, Japanese, German and Mandarin are optional ⁷⁸. Due to all of this the students will be prepared well enough to work in the tourism industry.

There is one tourism school which focus at management positions but there are also institutions where they can follow hospitality and training of one year maximum⁴.

We also became aware of the fact that when you are in higher caste, you are automatically placed in a higher function. A marketing manager from the restaurant “The Living Room” said that she is only 20 years old and that she never had a function lower than a manager position⁷⁶.

Another thing that is important in the hospitality sector is the Tri Hita Karana. Tri Hita Karana means three causes of happiness. These three elements should be in balance and always be in harmony. During the lecture on Bali we found out that there has to be a good atmosphere within the company, and that the locals have to fill the jobs. There has to be a good relationship between the company and the local community and that they have to pay attention to human affairs. Next to this it also has to do with being in balance with cultural elements and the environment⁷⁹.

3. Distribution channel and promotion

Every hotel, villa, shop, and restaurant has their own distribution channel and way of promoting themselves. There are between 300 and 400 Balinese/local travel agents which are being used often by many hotels and villas³.

Hotels and villas in Petitenget have good contact with local travel agents and foreign tour operators. Some hotels/villas are sending a representative to the travel agents so that the travel agents are aware of them and that they can promote the hotels/villa^{1 4 23}. When a representative of a tour operator comes to Bali, i.e. Villa Lumbung invites them to come and stay there. This is how they promote themselves. The hotels/villas also have their own website which tourists can visit and place a direct booking; furthermore they are being promoted through the website *www.asiahotels.com*. This is a website with many hotels and villas in Asia and the tourists can get an overview of the hotels and villas in Petitenget.

The many restaurants and shops in Petitenget have their own way of promoting themselves. The Hu'u Bar and the Living Room are being promoted through the Beat; this is a free magazine which is for the tourists because here they can find all sorts of information about Bali. The Living Room have their own brochures and they flyer every weekend in Kuta⁷⁶.

The furniture shop Teck O Coco promotes through the English/French magazine called the Gazette¹. Waroeng Bonita and the Bali Catering Company do not really have a promotion section, they benefit from word of mouth publicity^{24 80}.

Also travel agents have contracts with several restaurants in Petitenget to bring tourists to them.

4. Transportation

Bali has a International Airport “Ngurah Rai” with which it is relatively easy to access the island, Following our observations after arriving most tourists either get picked up by the hotel or use the very low-priced cabs. To move around during their holiday they usually rent a private driver with a car, only the car or scooters. Only few tourists use the local bemos, which are little buses picking up whoever stops the bus by raising the arm.

On the other hand locals use bemos frequently, especially if they can not afford a scooter, which is the most common manner for locals to move on their island. As there are many traffic jams scooters are more convenient than cars, also because cars are too expensive for many islanders.

5. Facilities

There are restaurants, shops and supermarkets that are mainly designed for tourists. The main restaurants, “the living room” and the “hu’u” are high-class and can also be found in the attraction part of the destination. Apart from them the other restaurants are up-class but not attracting markets as the ones mentioned before. They are a little cheaper but nevertheless offer a beautiful atmosphere, design and usually a blend of Indonesian and International food.

Further there are service shops like several laundries and an international tailor shops, as well as three art galleries, a furniture shop specialised in teak wood and for the future there is a little mall in construction. Numerous supermarkets ensure that you never run out of the basic necessities. In the supermarkets and laundries the possibility to meet locals is probably the highest, as the restaurants are too expensive for local customers. They have own waroengs that are daily crowded for lunch break and where you also sometimes see foreigners that moved to Bali. They also make use of the various little kiosks that you see on many corners.

Of course the tourists will have to sleep somewhere during their vacation. The area provides numerous kinds of accommodation which is treated in detail in the issue “reduced competitive capacity of the accommodation sector” on page .

Almost every hotel offers spa treatments in their own spa or contracts a spa, one of them - the “Taman Merah Spa” - is located in our area and managed by the “Bali Villa Association”.

6. Infrastructure

Sewage system

Petitenget is connected to the obsolete sewage system of Seminyak.^{7,8} One of the aims of the governmental organization “keep bali green” is to renew the system and to stop illegal dump of raw sewage into streams, rivers or the ocean.^{9,10}

Some private owners of villas or hotels installed tanks and sewage plants to purify the water before it gets piped to the official sewage system.^{11, 12, 13}

Rain water does not get canalized under the pavement like in Kuta, in Petitenget it just runs down the streets (Petitenget lies on a little hill) until it reaches the canalisation of Seminyak or the river.

Waste disposal

The bigger cities in Bali like Denpasar and Kuta have an official garbage collector that passes by a couple of times a week, smaller villages usually do not have any kind of this service.

In Petitenget there are a few streets where foreigners settled down, they organised a garbage collector which picks up the waste about three times a week from their streets, just like the most people and hotel owners from the main street did.¹¹

Power sources

Bali experienced in the near past some power problems. A big part of the Balinese power supply comes from Java, but as this connection is sometimes overextended, blackouts are not common but they do happen. The biggest power failure took place 2005 and another one happened in the end of 2006.^{14, 15, 16}

On 4th of May 2007 the state electricity firm “PT PLN” disclosed that they will start building a thermal power plant soon near the Celukan Bawang port which is in the north of Bali. An official said that in that way “power supplies in Bali in the next 5 to 10 years will be very safe even though power demand will grow by more than 7 percent per year”.¹⁷ In our area power lines are still overland and we have not heard of any plans to lay them subterraneously.

Road network

Petitenget has a small well maintained main road that leads to Seminyak and Kuta in the South and in the North goes to the bigger main road in the Kerobokan district. From our area it is very easy to access the whole island, also because of the only three year old bypass that brings you to the south of the island. Apart from that most small streets, which lead to villas, hotels, private houses and rice fields, are badly maintained without pavement and fork from the area’s main street.

Security systems

The next police station is situated in Kuta, as well as the next tourism police.¹⁸ The police of Bali is in generally known to be corrupt, so many occurring problems can easily solved with cash.¹⁹

In our area most hotels as well as some restaurants engage private security services, sometimes the one which is situated in our area called “Shields”.

Health care

There are about 50 hospitals all over Bali, but with a concentration in the South of Bali. The closest hospital to our area is the “Bali Clinic” which is reachable in 5 to 10 minutes time. A International medical centre is situated in Kuta and in Denpasar, they both provide English speaking dentists and specialists. So the health care in and around the tourism centres of Bali is covered.²⁰

In regions further away this is not always the case, there are many children with a cleft lip or palate that are dependent on the help of the Rotary Club Bali, as well as a few remote villages that approached the Club, because they have cases of leprosy.¹¹

7. Actors

In our area we were able to distinguish several actors who can be put into one representative group of actors with the same interest in Petitenget. Each actor or group of actors and their position and goals in Petitenget have been analysed which lead to the following list:

The first group of actors which are strongly involved and dependent on tourism in the area of Petitenget are the accommodation facilities. Although the several hotels and villas in our area might not target the same markets, they could have worked together to promote the area of Petitenget, however they do not do so. Some hotels do work together in the peak season in case of overbooking^{21, 3} For the rest the accommodations do not seem to use combined marketing activities.

The second group of actors are the restaurants. Smaller restaurants, traditional warungs, have a lot of Balinese costumers, even more than foreign costumers. However the bigger and upmarket restaurants only gain little income from Balinese costumers, because they target primarily at tourists. Some of the bigger restaurants have small advertisements in magazines such as Bali Times and the Beat.

A third group of actors are the car and motorbike rental companies. In our area there are multiple of these companies. They are only partially dependent on tourists since also Balinese people rent cars and motorbikes, however they pay a lower price than the tourists. The rental companies actively approach tourists walking on the street in order to catch there attention. They also work together in the busy times. As the tourists pay a higher price than the locals the tourist also are more attractive costumers and better suppliers of income, this makes the car and motorbike rentals dependent on the tourism.

The last group of actors are the real estate companies. In our area there are two real estate companies selling land and villas in and outside our area. These companies are not very dependent on the tourists in our area, but are more dependent on overwintering tourists. In an indirect way they are dependent on the popularity of Bali as a real estate market. The real estate companies do have marketing campaigns throughout the island and on the internet with which they want to catch attention to their offers.

The Tourism Board does not seem to be actively involved in our area. The officials do not know much about Petitenget and were also not able to tell us much about Petitenget and its importance for Bali as a destination. This indicates that Petitenget is not an area in which they are interested in promoting and developing. In the future they might wish improve the garbage situation in our area since this is one of their policies and focuses.²²

The Tourist Office in Kuta, can not provide tourists with any information about Petitenget. Our request for additional information showed that they were only able to identify that Petitenget is known because it is “quiet and there are villas”.

The local government is responsible for keeping the area clean. Every accommodation and restaurant pays tax in order to keep the street and beach clean. However, keeping the beach clean does not seem to be the highest priority. The streets are kept clean and this shows the interest of the local government in the area. For the rest the local government does not seem very active

In our area it was unfortunately not possible to speak with the local government since we did not have the right visa to do so. With the Banjar communicating was not possible because of a language problem.

The information we do have about the government is based on the interviews we held, observations and desk research.

Indonesia is centrally governed from Jakarta.

In our area there are said to be two Banjars,²³ we however have only been able to locate one of them. The village hall in front of the temple is the meeting place in which meetings are held every two weeks. The Banjar collects the money for the temple and makes sure every company and person in Petitenget pays their contribution.^{24, 2}

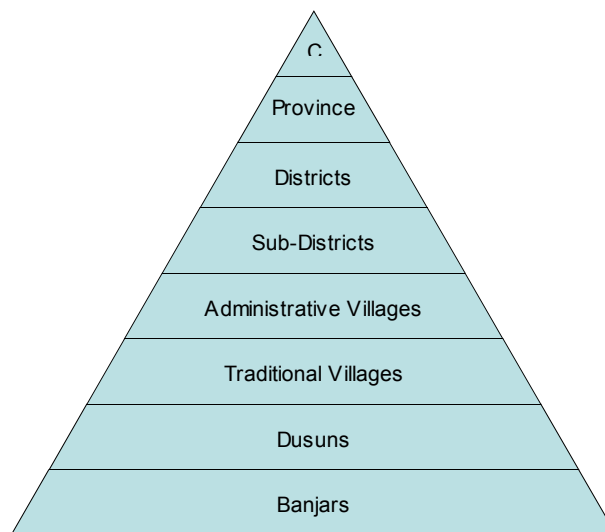
Apart from the facilities specially designed for the tourism markets, there are shops mainly used by locals that have much cheaper prices and also look traditional. The shop owners do not speak English, but seem happy with their international clients. However there are also specialised shops (Catering Company, Teck O. Coco Furniture Shop) that count either wealthy tourists or business people as their clients, or do supply the tourism industry with their goods.

8. The governmental structure

In our area it was unfortunately not possible to speak with the local government since we did not have the right visa to do so. With the Banjar communicating was not possible because of a language problem.

The information we do have about the government is based on the interviews we held, observations and desk research.

Indonesia is centrally governed from Jakarta²⁵. The figure below shows the government structure in which the Banjar is the lowest governmental level and the Central Government (C in the diagram) the highest level.



All these subdivisions show that the political administrative structure is very complicated.

For our area these subdivisions mean that Petitenget is part of the province of Bali, part of the Badung District, part of the Kuta Utara Sub district, part of the administrative village of Kerobokan, Traditional village Petitenget²⁶. In our village we were able to find one Banjar, but about a Dunsun in our area we did not find any information which supports our idea about the non-existence of a local community²⁷.

The province of Bali has autonomy from the Central Indonesian Government. This can for example be seen through regulations that are only unique for Bali⁶ - such as the restriction to building heights (max 10 meters) and to obligation to have a “real” roof (flat roofs are not allowed). Also special building regulations such as the appliance of the *tri hita karana* show the autonomy of the Balinese government. These three regulations are based on the traditional Balinese culture and reflect that local governments are in a certain way independent from the Indonesian Government.

As said before the Government structure is very complicated. The long way from the lowest governmental level to the top leads to a lot of bureaucracy and therefore it can be a difficult and long way to apply for permissions to start for example a hotel. At first one should ask the Banjar for permission to start building. After approval, the Dusun will have to agree and pass the plan on to the administrative village. The administrative village will then check if the whole project is according to all rules. It is known that a little money can speed this up with a couple of weeks. If the project is just a small project the administrative village is the highest level that needs to take a decision however when the project has deep impact on a village or the landscape the administrative village has to pass everything on to the sub district, district capital, the province and the Balinese government.

Getting permissions in this way can take weeks if not months. We however do not know to which extent and to which governmental level hotel permissions or building permissions are passed on to. However it is sure that at least permission from the Banjar, Dusun and the administrative village have to be obtained²⁸.

The Banjar

The Banjar is the lowest “governmental” level. Every neighbourhood in Bali has its own Banjar. The Banjar is run by the male heads of each family, representing the family. The head of the Banjar is chosen by God.

The Banjar meets twice a month at the village pavilion in front of the Petitenget temple. During the meeting the men decide on problems, permission etc. regarding their Banjar. Decisions are taken by means of voting. Approval is only decided when every votes for. All villagers respect and act in accordance with decisions made by the Banjar.

Concerning the institutional framework the Subak²⁹ is responsible for the rice fields. The Subak³⁰ informs a farmer when he can flood his rice fields. Without this permission a farmer is not allowed to do this. Since we saw rice field in our area there must have been such a controlling network. The Subak³¹ works together with the Banjar taking care of the village.

The Banjar makes sure that the adat (traditional law) is followed and they are also responsible for keeping control in the area. To support this they have a Banjar police. In our area the Banjar police³² was controlling the parking lot of the Temple and we once saw them guarding one event in the Hu’u bar.

D. Market research

Travel behaviour

The length of stay in Petitenget varies between daytrips to long stay periods of more than two months. A pattern can be seen in Asian tourists that generally spent less time in the area, and European or Australian travelers staying for 7 to 14 days during their main holiday. Petitenget is chosen by tourists because of its proximity to the airport and Kuta while still remaining a quiet environment where tourists can escape from traffic congestion and nightlife. The location of Petitenget makes it easy to go on daytrips to other parts of the island, and yet a great amount of tourists hire cars with drivers to travel around. For that reason Petitenget is a quiet and almost abandoned place during daytime. The dining facilities and also well-known bars attract tourists of Petitenget and surroundings, making it a daytrip destination for the purpose of entertainment and fine-dining.

Competitors

Similar supply of tourism facilities can be found in various places of Bali. Therefore, we consider especially those areas as big competitors that are promoted heavily by tour operators. Through the distribution channel of tour operators, vast numbers of tourists can be attracted or kept away from destinations. In the case of Bali, brochures of tour operators like TUI show that Nusa Dua can be pointed out as a well-promoted and offered destination. Similar villa development like in Petitenget can be found on more spots of the island like Tanjung Benoa in the South, Seseh in the North and also the close Seminyak.

Internationally seen Bali is in competition with Thailand and its main destination Phuket. Local hotels in Petitenget name Phuket as first alternative for tourists since the image of Bali dropped because of the bombings. International tourists also direct towards new beach destinations in Malaysia and Vietnam, although these trips are still associated with more adventurous travel behavior than beach holidays.

1. French business men with their families



Through in depth interviews with several companies in our area we found out that a big market segment is the French Business market. After combining the several interviews we managed to characterize this group as follows:

The French people come between November and March^{1, 21}. In this time they stay in the middle class hotels and villas in our area.

The business the French people do on Bali is said to be buying stock for their shops in France. As we heard from Teck. O Coco they buy furniture on Bali. Some hotels also told us that they buy clothes and handcraft and art.

The businessmen take their wife and children along when they come to Petitenget. The children are then temporarily placed on the International French School on Bali. The school is located in Kerobokan which is not too far from Petitenget and that is why the business people stay particularly in our area. The area is much more quiet than Kerobokan, but our area borders the big road to Kerobokan which provides them with easy access to the French school.

It is however not exactly clear what brings these French business people to Bali and not to other islands. What we do know is that there is quite a large French community and that there are already quite a lot French businesses on Bali, also in our area (Bali Catering Company, Tech O Coco, The Living Room). So it might well be possible that these businessmen heard positive stories about doing business on Bali or that they also have friends and relatives on Bali.

A Mintel³⁶ report indicated that there are four categories of business travel:

- conventions and corporate business meetings
- trade fairs
- incentive trips, seminars, and training programs

- individual business trips.

In our area we are dealing with individual business trips. The business men coming to our area have their own business and go to Bali on own initiative. Our form of business travel fits within the new trend in the business travel sector, namely the fact that business travellers increasingly combine leisure activities with professional duties. This is in our case also true. During their stay on Bali the business men have enough time to explore the island and in this way the trip to Bali is not only a business related trip.

Due to the up come of video conferencing some business trips do not have to be made anymore, however in our case there is no threat of video conferencing because the businessmen do not come for meetings but for buying. One can still not virtually experience the product and so the French people will continue to come.

Another thing we do recognise in the travelling pattern of the French business men is the fact that they come in the European winter. So this business travel can also be a combination of overwintering and business .³⁷

2. Male West-European gays



Even though it is not the most visible market of our destination it is certainly one of the biggest and financially strongest markets of our area.⁵⁴ As we found out Petitenget is established as the gay destination of Bali.^{55, 56, 57}

If certain companies “out” themselves as “gay-friendly”, gays usually react very fast and prefer to buy, use and consume their products. According to the manager of the tour operator “mantours” many international companies are now forced to switch to a gay-friendly policy – the big purchasing power that gays have in our days is hard to waive.⁵⁸

Surveys in Germany and Austria show that homosexuals (mostly between the age of 20 and 50) follow new trends more attentive and on average they spend more money on culture, sports, holidays, fashion, going out and cosmetics, than heterosexuals do. On the other hand their expenditures on cars, tobacco or insurances are significantly less. For their holidays they choose more expensive destinations, they are eager to spend more money to be able to stay in gay-friendly hotels and they are explicitly willing to spend more money per day than other tourists.^{59, 60, 61, 62}

As the gay scene is a sensitive issue at many destinations and as it is often inadequate to ask where the next gay bar is, it is very much appreciated when there is a homosexual tour guide who is able to locate the gay scene at the destination.

As these clients usually already know where they want to travel to, it is important for tour operators who target this special market, that they are able to provide homosexuals with distinguished tourist information. These tour operators have to be ready to offer clarifications about the legal situation of gays in certain countries, as well as information about HIV or if it is allowed to show the affection to their partner in public.^{57, 58}

Indonesia stated in 1987: “There is not any mentioning of homosexuals, lesbians, or heterosexuals concerning Indonesian legislation.”

Until the fall of dictator Suharto 1998 press censorship and the suppression of homosexuals was very common. After Suharto was not in charge anymore, press censorship fell and many magazines were founded, but liberation of homosexuality did not take place. It is officially not prohibited, but on the islands where the majority is Moslem it could be dangerous to out yourself.^{63, 64}

Bali has a special status in this issue, as Balinese culture is mainly characterized by Hinduism. Therefore gays are able to move freely, but that should not belie the fact that it is still strongly expected from Balinese to get married and to have a family no matter what their sexual orientation is.⁶⁴

Despite these moral obligations there are more and more hotels and restaurants, that are very happy to count local gays as their customers, the main reason for that is that they attract wealthy gay customers from overseas.

Petitenget has two main attractions for male gays: “Waroeng Bonita” and the “Callego”. Both are bar, restaurant and spa, especially designed for the gay customer. They have a healthy business with a lot of regular customers that come there repetitively. Their clients enjoy the atmosphere and the possibility to meet other kindred spirits. The “Callego” is popular amongst the visitors, because of its quietness and its proximity to “Bali’s gay beach”.^{58, 65} Bonita, shown on the picture, draws his clients with his unique personality, extravagant dresses and “lots of glamour”.¹⁰



As the surveys also found out, homosexuals’ brand affinity is very high, which could be a reason for the loyalty of repeat visitors to Bali recorded every year – even after the 2nd bombing in 2005 there was no decrease in visitor numbers of this market segment.^{56, 62}

Up till now there are still a lot of companies that do not give gay couples the same rights as straight couples, which also counts for gay employees and their partner. The firms that invest – and also risk – a little on a change of their policies and marketing strategy are regularly surprised of the big revenues they get, as the gay community rewards these kind of concessions to a large extent.^{58, 66}

Regarding all these aspects, the gay market is certainly a very interesting, extendable target market. But as this trend will be reaching its climax at some point, it is now important to be one of the companies who truly are gay-friendly and who do not wait until it becomes common to deal with gay issues.

3. As our potential market: East and South-East Asian couples



Based on observations and interviews with hotel-, and villa managers we can conclude that there are some Asian couples coming to Petitenget. Recently build hotels such as the Kayana, Sentosa, and Sanyas Suites, aim at this market segment.

Our couples come from Japan, China, Hong Kong, and South Korea and are in the age of 25 to 35.

Tourists from Japan⁶⁸, China⁶⁹, Hong Kong⁷⁰, and South Korea⁷¹ spend less then a week on Bali.

The couples love to travel after peak season because the prices are at the lowest, and due to the fact that they want escape the crowdedness and work tension. Tourists from Hong Kong travel mostly during their extensive long weekend breaks that counts or a public holiday, like Easter or Lunar New Year.

However they like to book via a travel agency, internet is more presence nowadays. They prefer to book package tours because everything is taken care of. Asian couples book package tours because they feel safe when they travel, and they are always concerned about their safety and language problems when they travel abroad.

The most important reason for them to go on holiday is leisure and education. Most of the Asian couples find pleasure in going shopping and sightseeing. Reasons for the extended visits of shopping malls and souvenir shops are that it is expected from their friends and relatives that they bring presents to share their experiences with them⁷². Due to this tour guides also have to plan more photo and video stops during their trip with these kinds of tourists. The motivation for going sightseeing is that they like to discover new places and that they want to increase their knowledge.

On top of that more and more discover spa treatments as a relaxing escape of every day life, especially the Chinese tourists are in the stage of discovering spas.

Our target market has graduated from college or university. Despite this level of education they can not speak English well enough to manage well on Bali, therefore a good native speaking tour guides are an essential part of the package tour. Furthermore they start working in a high position although they are young, and therefore have high incomes.

The Asian travel market is relatively new, since China allowed outbound tourism to Indonesia from 2001 on. There are a lot of new hotels and villas that are targeting at Asian couples and even the older hotels and villas are aiming at this market. Petitenget is a quiet area, and therefore suitable for couples. They want to have a relaxing holiday where they can escape the work load, or the stress at home. The desire to go shopping is not being fulfilled in Petitenget and therefore it is a good starting point for making trips to Kuta or elsewhere.

Petitenget is also an area where spa facilities are located. Petitenget also has spa facilities which are in line with the opinion of the manager of the Kayana who believes that Asian people are getting more interested in spas.

E. Cross Cultural Analysis

Being on fieldtrip on Bali gave us the possibility to get an insight into human interrelations between tourists, the local population and us as researchers. We tried to use all our senses to absorb the impressions we could get in the beginning. After that we used our previous travel and cultural experiences, as well as the theories we read in the reader and in the book from Schneider and Barsoux, to order thoughts and to realize the existence of patterns in cultural behaviors.

As researchers we established contact to various actors, thus we had the chance to get beyond our own observations and find out the deeper meaning behind the way company employees and their managers treat each other.

At first we expected that there would be a high power distance between different levels on the career ladder, just like it was common in our countries twenty years ago that only managers were in the position of making important decisions. We thought that due to the fact that Indonesia is an ex-colony of a Western European country, the corporate structure of high power distances was conveyed. This in combination with the fact that the country experienced years of dictatorship, which made us think that the power distance remained high even though Dutch colonization ended almost 60 years ago.

Through our observations we saw that there indeed was high power distance. The way a local friend of ours, called Agung John, treated his staff in the kitchen, attracted our attention.

When we talked to managers and employees from several companies we found out that this kind of treatment is not only due to the country's historical background, but also because of the existing Hindu caste system.

Different people spoke to us about the importance of happiness in Balinese life. Based on their Hindu culture and the believe that through good actions (karma) people can eventually end the circle of continuous reincarnations and reach salvation, the pursuit of good karma can be seen in the importance of a strong community. Members of the community are eager to help their peers and make their lives more comfortable and happy. We therefore would consider Balinese culture as feminine according to the classifications of Hofstede.

During our stay in Petitenget, we however rarely experienced situations where the local population expressed their commitment to each other. The Banjar, that in other places organizes cultural meetings for the population, seems to limit its activities to financial administration of the area.

As the number of tourists in Petitenget is increasing and local population is exposed to a greater

extend to different lifestyle, the area is developing from a traditional community with its original norms to a place where the individual gets more important. Persons who were before reliant of their communities' support, in our eyes are more confident now about their own qualities and do not hesitate to show their achievements. In contrast to this personal development, the community suffers from slowly falling apart. Therefore the social support on behalf of the community is not ensured anymore.

The persons who are now still relying on their communities have a higher uncertainty avoidance. They try to keep the life within there families, Banjar and social network as safe as possible. This because they try to protect their wife and kids and the weaker persons in the community.

Due to some changes in the Balinese society the younger persons are now less reliant on their community and therefore do not take that much responsibility for others. Since they have less responsibility they can take more risks because a bad choice will not affect anyone but the individual. This has led to a lower uncertainty avoidance level.

During our research we found out that Balinese people believe that white people are smarter²⁴ than them. This can have helped us during our research. If Balinese people believe that we are smarter than them, they will take our work more serious and they might want to try to help us as much as possible to make a good impression.

Another benefit we had was that Balinese people assumed that we are rich. This helped us in the way that restaurant owners were very willing to talk to us because they hoped we would eat there and come back in the future to spend some more money. Balinese people also seemed keen in trying to get us interested in starting a business on Bali, trying to convince us to dos so, they gave as a lot of information and that definitely helped us.

The cross cultural perspective is not only covered in this part of the report but has been dealt with in other parts of the report. The biggest deal of the cross cultural perspective is covered in the issues about sex tourism, the lack of labour force and in the issue about the garbage and sewage system. In the governmental and instutional framework the structure of the Balinese village is to be found.

F. Issues

1. The lack of labour force



Indonesia once had an enormous variety in religions and different cultures. Almost all islands had their own specific culture.³⁸ However since the 17th century these cultural differences between the islands started to fade and the Muslim religion became the most dominant religion. Christian parts (Maluku) and Hindu and Buddhist parts (Java and Sumatra) have in the last 3 centuries transformed into Muslim areas. However there is one island which kept its own religion, Hinduism, this island is Bali. Over the centuries Bali managed to keep its own religions and traditions. The Hindu religion is now a very small religion. Out of the 245 million inhabitants³⁹ there are only 4.9 million Hindus, this accounts for 2% of Indonesia's inhabitants.⁴⁰ Of all Hindus in Indonesia 76% live on Bali. This stresses the importance of the Balinese culture for Indonesia's cultural variety. At the moment on Bali still 93.8% of the inhabitants is Hindu.

This traditional Balinese Hindu religion might now be at risk because of a lack of labour force. Due to the big and now growing tourism industry on Bali there are lots of jobs available. In fact there are so many jobs that in some areas on Bali there are not enough inhabitants to fill these jobs. This also is the case in our area, Petitenget. In Petitenget there are almost no residence areas and thus no people to fill up labour

places. As we can see through interviews held with hotels and restaurants in our area these places are then filled up with people from other parts of Bali⁴¹ or from the neighbouring islands, Java and Lombok.⁴² In Java the religion is traditional Islam and on Lombok there is a mixture between Islam and Hinduism.

In regard to spreading habits the traditional Islam is known as one of the most active spreaders of its religion. Bringing in vast numbers of people from Java, will increase the amount of Islamic persons on Bali. This will lead to interference between two totally different cultures. Since the Islam is very active in spreading and the Hinduism on Bali is not very active in spreading the spread of Islam religion might take the overhand in raising new followers. In this way the amount of Islamic people will more and more increase whereas the amount of Hindus will decrease.

At this moment the number of imported labour force is not that high yet, but when the tourism industry will grow further this will bring in more external labourers. As seen before in this report the tourism industry in Petitenget is growing. In the next couple of years a lot more labourers are

needed in Petitenget to fill up these functions. Since our local community is that small there is in our area quite a risk that the Islam religion or mixed Islam/Hinduism religion will get an overhand. This means that in our area the traditional Balinese culture will be lost.

As we also mentioned in our report is that we did not notice an active local community, this means that a relatively large group of people from a different culture can easily set up their own community and in this way get influence on the area.

The question is if this is a wished side effect of the growing tourism industry or if the carrying capacity has been reached and further tourism development should be restricted in order to protect the Balinese culture.

If the traditional Balinese culture in our area gets lost this might also affect the attractiveness of the area as tourism destination. Now our area is seen as an extension of Seminyak's eatstreet, but when in our area a different culture than in Seminyak is created then this might not attract the tourists anymore who now come to Petitenget because it is a quiet extension of Seminyak. Because it will not seem the same as Seminyak anymore.

Although there is an advice of the government to take at least 20% local employees⁵ this does not say that this is actually happening. Hotel owners from Jakarta are more easily tempted to employ Javanese people who have the same culture and religion. Therefore in order to protect the traditional Balinese culture as long as possible the government could create special benefits for companies who have at least 20% local employees and if local employees are not available then at least 20% Balinese employees. However 20% is a real small number and therefore as long as Balinese labour force can still fill up all available job vacancies the percentage should be higher than 50% in order to let the Balinese be in the majority. If Balinese labour force is no longer available these special benefits for companies can no longer be applied.

When this happened the Balinese government could either allow an unlimited amount of Indonesians from across the country or they could put a stop on the increasing tourism because the carrying capacity has reached its maximum regarding the cultural perspective.

These are just two possible solutions to protect the traditional Balinese culture. Of course the traditional Balinese culture is not only in danger because of the labour force, tourists and immigrants also effect the culture. However in our area the lack of labour force and therefore the import of labourers from Java and Lombok seems to be one of the most important factors which could in short time lead to a loss of the traditional culture in our area.

2. The existence of sex tourism



When we stayed in our area, Petitenget, we occasionally saw young men (around twenty) who walked on the beach or walked near the gay bar “Callego” and were picked up by men in their fifties. They obviously did not know each other and started chatting a little bit and then decided to walk away together, the older man touching and caressing the young man.

Due to the economic crisis and the political instability in 1997, in whole Indonesia, the tourism industry shrunk. Tourists stayed away from Indonesia and people, who were dependent on tourism, had to cope with financial difficulties this. Bali has not been hit by the crisis as much as other parts of Indonesia and that is why many people went to Bali and started a live there. Nevertheless, the number of poor people increased. Due to poverty, young men are lured into the commercial sex industry. In Petitenget, the young men are around twenty and the majority of the clients is male and are around fifty⁷³.

What makes it so attractive for young men, is that tourists give them a lot of money and often buy presents for them, and they like the feeling to give the person the idea that she is still attractive. It is a strong competition when it is low season and they try hard to get as many clients as possible, because they seek for financial stability to stay out of poverty. The young men prefer older clients because of their wealthy status.

At first, the client wants to have fun maybe a little adventure, but some clients fall in love with their lover because he is so charming and knows what the clients wants to hear.

The client gets attached to the lover and start having a usually imaginary romance with the boy. He keeps on giving the lover more and more money for paying rent and buying clothes, but in reality the Kuta cowboys might spend it on drugs. The young man is in hope in going to the client’s home country⁷⁴.

In the boys childhood it is common that the parents do not pamper him, also when the mother stopped giving him breast milk the child is under care of an elder child of the community. The parents interact on a very basic level with their daughters and sons⁷⁵. Due to this, the parents dissociate themselves from their son's life. According to quote 1 the community in the village thinks that the sons are tour guides and sometimes even bring the tourist to their village and show the tourists around and they are often not aware of this façade.

But when the parents find out what is going on they will react in anger and embarrassment because of the shame put upon the village. According to the *adat* (traditional law) there will be sanctions against the young men⁷³.

Regarding the entertainment sector's point of view the sexual exploitation of children is not a big problem. The responses of bar owners, discotheques, restaurants, hotels tend to be more tolerant. Sex tourism is very much hidden and has a secret network or organization. Many young men can benefit from prostitution as well as their exploiters, in addition it gives indirect benefit to the entertainment sector as we know of through two quotes. An employee of a tourist bar states that sex tourism is an attraction of Kuta, even during day time. A security man says that clients are needed in order to doing good business⁷³.

Tourists are not yet aware of sex tourism in our area, however when tourists start to get aware of the sex tourism going on they might evade our area because they do not want to be associated with sex tourism.

3. The Reduced competitive capacity of the accommodation sector



Petitenget is well known as a destination where the high society and the rich reside. However there is very little glamour to see at daytime: the area is empty, few tourists are to be seen, and the beach is not visited frequently.

On the other hand, the economic situation of Petitenget is moderate, which can be seen in the lack of effort put in maintenance and hotel managers complaining about the low amount of tourist since the second bombing.

The area is not only facing a struggle caused by negative public relation after the bombings, but has to cope with high competition within the village itself between different types of accommodation.

When early developments started in Petitenget around 1993,¹ mainly hotels were built as accommodation centers. Since the late 90's then,⁵ there has been a new development towards the existence of private villas. These houses, that generally can be rented on a daily base, including chefs, security, waiters and other staff, were mainly leased by foreign private investors. Buying property is still not allowed – instead real estate companies offer leasing contracts of twenty years or more.

The villa owners from e.g. Hongkong or Singapore, but also from all parts of Europe, searched for a second home. Their main goal of the acquisition was to have a shelter in a quite area of the world, where they can relax during the Christmas holidays and their vacations throughout the year.

In the second instance, villa owners believed that it was an asset for starting a small accommodation business, renting their homes to tourists when they would otherwise stay empty.

The proportion of hotels and villas in Petitenget is now around 50% each.⁴³

The emergence of villa development is of importance to the area because it has caused a shift in attracted markets.

Tourists who before stayed in star-hotels in Kuta or Nusa Dua, and who did not see an alternative in Petitenget because of the conventional non-rated middle-class hotels, reacted with big interest in the new villas. The price difference between a 5 star hotel and a villa is little compared to the extra standard (e.g. a private pool or a private chef) a villa provides. The villas definitely attracted high

standard clientele to Petitenget, being still the main reason for the area's current image.

Because of the success of villas, hotels saw a chance for heightening their image and their revenues by renaming their facilities to Villas, or inventing a new concept of villas with hotel facilities. From that point on, these four categories can be found in the area of Petitenget:

- Private villas

These single houses are owned by a single private developer, and either used for own purposes or commercial renting, including a pool and at least two bedrooms.

Examples: Villa Pantai Biru, Villa Ixora

- Resort/suite villas

In the style of a boutique hotel, five to ten suites are integrated into an accommodation complex. Each suite or villa possesses one or two bedrooms, a living room, kitchenette, bathroom and a pool, but no hotel facilities like a restaurant are present.

Examples: Maya Loka, Sanya Suites, Kayana

- Villas with hotel facilities

Similar to the previous type, but usually a restaurant and shared pool are also available. The standard and exclusivity is a little lower than in the Suite Villas.

Example: Villa Lumbung

- Hotels with rooms and bungalows

A conventional hotel with single and double rooms, pool and restaurant. Some hotels offer rooms with a connecting door for family visits, or small bungalows with two rooms and a shared bathroom.

Examples: Bali Ayu, Taman Rosani

During the past ten years, land prices raise by 500% and made Petitenget one of the most expensive areas of whole Bali. 100m² of land are twice as expensive there than e.g. in Seminyak or Canggu. The cause of this rising can be seen in the fact that local rice farmers easily are persuaded to sell their land.⁴ With the amount of money they get in return, they try to start a new life in other parts of the island, but often do not succeed because they do not know how to handle such big amounts of money. After the deal, owners resell the same piece of land to larger retailers, who often again increase prices and resell to real estate companies. This process has the affect that local investors not longer able to afford land prices and the ownership of compounds goes to foreign people.

After the huge development of villas in the past years, along Jalan Petitenget there is little space for new developments left. As can be seen on the Map⁴³, nearly all available space is already cropped.

Currently, voices are rising about illegal villa constructions in the area of Petitenget. Apparently some private villa owners do not purchase an operational license to rent their villas.^{4, 6} They rent their villas with only a license for private usage of a family home, which features the asset of not paying commercial taxes and not having to accomplish any obligations towards the government.⁴⁴

From a financial point of view, government taxes get lost and eventually prevent economical improvement of the tourism sector as a whole.

Because the owners of those illegal villas do not rely on financial incomes by renting by possessing another source of income in their home country, they are able to offer rates far below the standard. Tourists in need for accommodation can relatively easily drop by and bargain a cheap price – comparable to conventional hotel rates or even less.

Some hotel managers confirmed that they are unable to raise their room rates each year, a standard procedure in economy to guarantee growth and market development, because of the high financial pressure they have to cope with.⁴

The Balinese government knows about this issue and announced in 2006 to crack down illegal villas.⁴⁴ According to the Bali Villa association, a body run by villas with legal status, around 1000 compounds on Bali are illegally run as holiday rentals. The governments' officials plan to fine villas for tax evasion, once they investigated which villas are operated with valid licenses.

There is only one type of license for both hotels and villas, which makes it even more difficult to distinguish the various forms of accommodation. Licenses are officially withdrawn from hotels that direct their sewage unfiltered into the environment.

The Bali Villa Association also set a minimum price for villa renting – now being \$100 a night⁵ – which only counts for around 40 villas who are member of the association. With estimated 650 illegal villas in only Seminyak and surroundings,⁴⁴ the discontent on behalf of the legal villas and the government can be understood.

We generally see a quite high risk for new companies to start accommodation in Petitenget, because price competition can not be foreseen, but is fundamental for a companies' success.

4. The sewage and garbage system



A common picture: A tourist arrives at his holiday destination and one of the first things that he does, is to go and have a look at the beach, on which he plans to spend most of his holiday on. When he does that in Petitenget he will probably return back to his hotel in disappointment and ask the receptionist for other beaches to go to.

Most people from an economically well developed country have certain ideas when it comes to waste disposal. Some countries convey very strict rules about how to separate waste, other countries do not mind that and put the waste all together. But there is one thing that most citizens of these countries will agree on: the waste should not be left uncollected, randomly and carelessly in the nature.

The vast majority of the locals does what they used to do for many centuries, they dump all their garbage in a river, in the ocean or at a certain spot in the nature, with the believe that they send it to a better destination.^{6, 45} This pattern was fine, because the garbage itself was completely natural, as it consisted of banana leaves, coconut shells and so on. The problems started when the natural waste turned into waste out of plastic and aluminium. Especially the waste of the inner land that is thrown in the river, ends its journey at the beaches of the island and then gets visible for the tourism sector.^{6, 7}

When a local owns a hotel he is highly likely to transfer the same customs to the whole hotel system, including the sewage system, which might be the main reason why waste water gets almost unfiltered into the sea.

Many foreigners who moved to Bali are trying to bring the systems they know from their homeland to the island. Therefore they arrange collectors for their garbage, they install bio tanks and bio purification plants to filter the waste water as far as possible before it runs to the regular sewage system.^{6, 7}

The vice president of the Rotary Club Bali owns a villa resort in Petitenget, he states that there has been many efforts to help Bali with this issue. They ran a project where they put a bin for plastic garbage was put in a village in the inner country. The villagers would have gotten money if they handed over a full bin to the garbage collector. What they also tried is to provide schools with information material and to talk to school classes. The Club initiated as well the project “Clean Seminyak” and it supports the garbage plan that the Japanese NGO “Kitakyushu International Techno-cooperative Association” created for Bali with the patronage of the “Japan Fund Global Environment”^{6, 46, 47, 48, 49}

The Club assesses all these endeavours as “not effective enough”.⁶

When we asked in our interviews what could be improved in the area of Petitenget most interviewees answered that the government could support the area more, because they would feel left behind by the statesmen. Many also believe that a large-scale environmental information campaign by the government could be much more successful than trying to solve the issue with many small projects.^{6, 7}

Western Europe and Australia used to have the same problems 20 years ago, Spanish beaches were still littered with garbage 10 years ago. These countries overcame this by having large-scale campaigns, but also by having people who took the initiative to change something.

It lies in the culture of Balinese people not to offend anyone, to be polite and to be modest, the community is more important than the individual.⁵⁰

Therefore it would be unusual that an individual steps out, takes the initiative and maybe takes the risk of getting in conflict with others. Parents are much more to be respected than they are in for example Western Europe. That’s why it would be unlikely that a child would go to his father to tell him that he has to throw his rubbish in a bin, just because the child learned so in school.

There are numerous more examples that show that there are various cultural distinctions that could complicate governmental campaigns.

Nevertheless the government starts to realise that, to keep the island’s economy up, they need tourists. In November 2006 Bali’s local government acquainted the plan to make Bali #1 destination by 2011. Part of the plan is to improve the environmental protection on Bali, hence they founded the organization “keep bali green”.According to their website their main focus now lies on the improvement of the sewage system, to avoid the “illegal dumping of raw sewage into rivers, streams and the ocean”.^{9, 10} This could be the first step to raise an ecological awareness on Bali, but to be successful it should try to promote itself better, so that it reaches not only people who are

already aware of the problems. To finance a better promotion, tour operators, hotels and restaurants could support the organization.

The biggest minus point of all of these projects is that large hotels, usually managed by foreigners, take part and get involved, but the small hotels can not join, because usually they do not have the financial power or the environmental awareness to install private sewage plants.

The consequence is that the projects will call more and more attention to the visitors, as they usually also bring promotion together with a good image to a company. Due to these activities, tourists might be better informed about the environmental situation in Bali and then prefer to choose a “green” hotel.

Apart from all that, another discouragement for the Balinese is that even if Bali gets environmentally improved, after storms and rainfalls a lot of garbage at the beach gets washed ashore from Java. ^{6, 7, 51, 52, 53}

G. Conclusion

Final conclusion

When reflecting on the report it comes up front that there are some key issues which characterise our area.

In our area the job opportunities are growing fast although there is not enough labour force. Labour force is now imported from Java and Lombok, which have a Muslim religion. When the numbers of imported labour forces grows our area might be at risk for losing its traditional Hindu culture.

A delicate issue is the sex tourism taking place in our area. Older men hang about with young Indonesian guys. In the past this sex tourism was hidden but now it is happening more in the open. This might lead to a loss of tourists because some tourists do not want to be associated with this kind of tourism.

An important issue regarding the accommodation section are the illegal villas. Due to a lack of governmental control there are a lot of illegal villa's. These villa's have rent rates which are lower than legal villa's and the hotels in our area. This ruins the market because there is no fair competition.

Another issue that plays a big role is the sewage and garbage problem. Petitenget beach and the river nearby the beach are very polluted. Sewage water is loosed into the sea and the Balinese people just throw the rubbish in the river. This creating everything but a pleasant beach.

Our area currently attracts French business men, basically due to the location, and also attracts the male gay market, due to it's reputation as a gay destination.

In the future we see possibilities for the East and South East Asian couples to become a new market. This assumption is based on the quietness of the area, it's vicinity near the shopping area in Kuta and because a lot of new hotels and villa's are focussing on this market.

Reflection on research methods

In preparation for the fieldtrip to Petitenget we decided on research techniques to be used in line with the different target markets and other actors that we were planning to integrate into the research project.

Unfortunately, the amount of families with younger children was that small, that we discarded the segment and replaced it.

Interviews that we conducted with tourists were a hard task. This was primarily caused by the circumstance of the extreme low occupancy in our area, and the tourists that we were able to allocate to our area, did not all fit to a particular segment.

Interviews with tourists were also challenging, because almost in no case the interview was set at a relaxing atmosphere, preventing us as interviewers the chance to last the interview for more than ten to fifteen minutes. That is why the original idea of in-depths interviews had to be reviewed.

Instead we came up with the possibility to leave questionnaires behind at various accommodations in our area. The managers and front office staff was helpful, but we also experienced that questionnaires were lost or forgotten. From 100 distributed questionnaires, we were able to collect 12 completed forms. Although the respondent rate is quite low, it was a useful mean to get in touch with the Gay market.

The questionnaire seemed to be easy to fill in and unmistakable, which left us with all 12 questionnaires being valid.

In-depths interviews with a topic list were also conducted in the cases of accommodation owners, business managers and owners of shops and enterprises in our area. These interviews went all very satisfying and led to great amounts of information. However we saw a difference in credibility of our interview partners.

The more interviews we held, the easier it was to see if somebody evaded problematic issues like the garbage problem, or if they gave honest and trustworthy answers.

There was also a difference in Balinese or Indonesian interview partners and Europeans (e.g. German and Austrian). Not only because of language difficulties, the interviews with locals remained more superficial and sometimes left questions unanswered. We can imagine that these interview partners were reserved and reluctant because they did not always see the reason for the research - whereas most European interview partners immediately joined in the discussion about e.g. environmental problems in the area. This is of course also caused by their and our origin, where generally more care is taken about these constraints to tourism development.

The research method that in the end provided us with most information and conclusion turned out to be observation. Observing the travel behavior of tourists in our area led to many conclusions and assumptions that we have included in this report. Approaching observation as a mean to gather information individually and then discussing it with group members gave us the possibility to look from different angles upon facts and impressions.

Unfortunately, establishing contact with the French businessmen turned out to be hardly possible, since this market is not available throughout the whole year. Continuing to research on them, we made an appointment with the director of the French school, but he did not show up twice.

This was a reason to also go on researching after returning from Bali. Another desk research, writing to the consulate and French travel forums could only reveal little extra input, but in the case of the Gay market we were lucky to make an interview with a German tour operator specialized for this target group. Also for every issue, some more desk research was needed to find adequate sources.

SOURCES

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Appendices

Appendix 1: The interviews

Interview 1 from 5th April 2007 with Alain Jersol from Teck O. Coco

TeckCoco started 14 years ago and was the first building in Petitenget. The land was not expensive and there were only rice fields. TeckCoco had in the beginning 2 French owners and nowadays Alain Jersol is the only French owner. He has another store in Raya Kerobokan, Kerobokan. They have no foreign investors

His clients are from all over the world but the majority comes from French. This furniture shop is generating trips, French people are coming to Petitenget to this particular shop and they are also staying here for a few days.

The furniture shop uses a lot of wood. They have a wood factory in Padangsambian Kelod, they make almost everything themselves. The staff is from Bali, only 2 are from Java.

Back in the days they didn't do much about promotion because the orders kept coming, nowadays they promote in the French/English magazine called the "Gazette". People can also order via internet. TeckCoco don't sell many products to hotels, because they are a totally different market.

Alain Jersol thinks that Petitenget is going to be a second Seminyak, with full of hotels, shops and restaurants.

Interview 2 from the 3rd of April 2007 with Agung John ("Uncle John"), the owner and manger of the restaurant "Brown Sugar"

The first tourists started coming in 1976. They were American at that time there were no Australians yet. The American tourists came for the art.

At that time Petitenget was just an area ith rice fields and a village house.

The temple of Petitenget was built in the 11th /12th century.

The "boss" of Petitenget is Anak Agung Ngurah Putra. He is to be found in Kerobokan. He really looks after the village and also controls if any restrictions and building rules are not violated. If you want to build anything you have to speak to him first and ask for permission.

The temple gets it's income from donations made by everyone including the hotels.

If a foreigner wants to start a company this can be done through a PMA, a trustee and through marrying a Balinese woman.

There are many tourism schools on Bali and most of them are private schools.

The Balinese people have good hope for the future and pray to god a for a better future. The Balinese are not afraid for another bomb.

In Petitenget there is no public transport, but between the bigger cities such as Kuta, Kerobokan and Denpasar there is public transport. Here in petitenget people move around by scooter or by taxi.

People come to Petitenget because Kuta is not natural. Petitenget is still reasonably natural and so people come to there.

Interview 3 from the 4th of April with the reception manager of “Taman Rosani”

Taman Rosani Hotel in Petitenget started in 2001 as a sister hotel of Rosani Hotel in Legian. 38 rooms

The current occupancy rate is low, even in high season, the hotel is almost never filled fully.

Biggest markets are local tourists and Javanese (domestic) tourists, travelers from Europe, esp. UK. Most of them are couples. Occasionally larger groups, up to 60 people.

Because of the low occupancy rate, the hotel started a new concept in 2006 and built meeting rooms. The idea was to attract more business related travelers.

The hotels in Petitenget are in a severe competition with the villas according to the spokesperson. Villas often offer more luxury and quietness, and prices per night are higher, but still affordable for the clientele that comes to Petitenget for a holiday.

Most guests in Hotel Rosani stay a couple of nights, and use Petitenget as starting point for further excursions.

The high season for the hotel is usually around Christmas, and then in October/ November.

The hotel has contracts with travel agents. They invited 100 of them this year after the new building was finished to establish better contact. There are around 400 local travel agents on Bali. The hotel also cooperates with German and Japanese tour operators.

The repeated visitors are of high importance to the hotel, because little booking is made directly via their website, and travel agents do not provide them with necessary amounts of tourists to keep the business going.

The owner of the hotel is from Jakarta, and his sister is the manager. The hotel is a family run business. Staff is local, mostly from Balinese tourism schools, and they carry out multiple tasks at the moment. In total there are 18 employees incl. the management.

Interview 4 from 11th April 2007 with Daniel Kornfeld, manager of “Puri Madawi”

Hotel has 3 type of rooms, standard, superior and luxury

Cost are between 50 and 80 US Dollars per night per room, breakfast incl.

Russians do not come to Petitenget and most likely never will. His clients are European businessman, Germany but mainly French who buy stuff in Bali to resell. Also Australian couples visit the hotel, staying 1 or 2 weeks, while businesspeople stay at least one month. Middle-class or higher people, have money and just want to be where it is warm and where they have a pool. Petitenget is not interesting for tourists at all.

The bombs were not that important, the mayor setback was SARS in 2003. he started his hotel in 2002 after the first bomb, but has lived in Bali fore more than 10 years before, also in Jakarta and Singapore.

His clients book via internet, increasingly during the past 2 years, and balihotel.com. tour operators do not really make contracts with these kind of small scale hotels. They prefer star-rated hotels in Kuta or Nusa Dua.

The current occupancy rate is 40%, which is good for low season. He says that only hotels with

good marketing skills are able to attract clients. Most Balinese hotels struggle because of lack of knowledge.

Investments in the area are uncontrolled, people just buy or sell land to strangers, the Banyar allows almost everything. The government has stopped giving hotel licenses in 2006 to make an end to this uncontrolled construction of more and more facilities. In only 10 years Petitenget went from rural village to heavily cropped destination.

Land prices rise by 500% within these 10 years; farmers sell their land for money but end up in a shack in another place, spending their money for cars and stuff they can not afford actually.

Foreigners can only start their business with a PMA, which was invented by the government to protect local industries. The World bank forced Indonesia to do so after the big economic crisis in 1997, otherwise they would stop paying subventions. However it is easier to start than it seems, just show that you have some money and you will even be granted 2 years tax-free business.

Illegal villas exist all over Bali and the government seems to take no action. They ruin the market extremely fast and are not welcomed any longer by businessmen who work legally.

Most employees in Balinese hotels work illegal and are not insured, his employees do. Training needs to be done because one year of tourism school is not enough. There are huge language problems in the beginning. Employees come from Bali but not from Petitenget because there are few people with education here. All other materials and supply he uses comes from Bali, but he estimates that more than 70% of what is said to be Balinese originally derives from Java and other islands (like wood e.g.).

Interview 5 from the 11th of May with Mr. Heru, a manager from the real estate company C151

Petitenget grew in the 1990's before that it was just a village. The first hotel in this area was the Oberoi. People started coming to the area of Petitenget because the New York Times wrote about the kudeta.

C151 buys ground to build villa's on. After that they sell the unit in a lease contract for 30 years.

Then the houses are also rented out to give the leaser return on investment.

The villa's are built in a combination of Balinese and Modern Style. The opening of the villa's was last week Sunday. The opening was joint by the minister of tourism since there villa's were the first to follow all rules.

A lot of other villa's in Bali have problems with their license.

After getting a license building can take quite long. C151 got the license in 2002 and finished in 2007.

The owner is a Canadian so C151 is owned by a foreign investment company.

The motto is location, location, location. The name is C151 because the owner aims at having 151 companies.

C151 has very active promotion. They have a lot of billboards, 2 offices at the airport and they spread 5000 flyers a week.

At the moment there is not much land available in Petitenget the ground which is available is too expensive. Ground costs \$40.000 per 100m² whereas the average is \$30.000 per 100m² in Petitenget. In Canggu ground costs \$10.000 per 100m². However the location is worse. The location makes Petitenget an area where it is relatively easy to get return on investment. Petitenget is one of the most expensive areas on Bali, this has always been since the start when the Oberoi was built.

Building usually takes close to the beach because it is very difficult to obtain a license to build on the beach. They build at this location because the Kudeta is close and has a lot of international events

which bring people to Bali especially for those.

Leasing a house for 30 years costs \$200.000- \$300.000.

The Bali Villa Association controls the minimum price for villa renting. At the moment the minimum price is \$100 a night.

Building a hotel is relatively difficult compared to building a hotel. Therefore there are now combinations between hotels and villa's. There is no star rating but hotels need a jasmine status before they are allowed to operate as a hotel.

Some villas have been broken down because they were built without permission, this however doesn't happen often.

After having set up a business with an Indonesian partner it is possible to "kick" the partner out.

The foreign owner then has to buy all shares and can keep the company.

A lot of hotel owners come from Jakarta because they are more modern and higher educated and know how to set up a business.

The target market are mixed couples from Hong Kong aged 40 – 50.

The most businesses in Petitenget are Property businesses, restaurants and furniture and clothes.

The most popular restaurants in the area are: Kudeta, Living Room and the Warisan(fine dining)

Most local people work In the hotels and restaurants, this is also stimulated by the government. The government suggests to take at least 20% local employees. C151 handles according to this. In C151 also people from Petitenget have high functions. All employees get a three months probation. After this they get trainings to get in higher functions.

The beach in Petitenget is a little bit stinky, this is not because of the garbage, what causes it is however unknown. Sometimes it is the seaweed which causes a bad smell.

All people in Petitenget are Hindu, and the temple is one of Bali's oldest temples. Long time ago a priest came from Java and stayed in Petitenget here he forgot a box . Which explains the name Petitenget. People believed the box had magic power and so they kept it and build a temple. The temple is very holy. In the past the area was a little scary because of the temple. No people passed this area. They just started coming here as soon as there was electricity. The most important ceremony is the purify ceremony. Usually more than 2000 people come to this ceremony

Useful websites for property on Bali are:

www.tropicalhomes.com

www.paradisepropertybali.com

www.kudeta.net

www.housedbali.com

Interview 6 from the 9th of April with Helmut Volquarts, the owner and manager from "Villa Ixora"

Opening of the Vila for hotel purposes 2003

1 villa with 3 rooms and 3 baths (230 US\$)

1 villa with 6 x 1 room (each 70 US\$)

1 villa with 2 rooms and an extra pool

pool for all

promotion: adverts in print media; word of moth (a lot of repetitive visitors), contacts from his previous work (logistics)

most of the guests are expatriats in Asia, Spanish and Italiens (the owner speaks very well Spanish as he lived a lot of years in Mexico and Spain)

his staff is mainly from Bali, only the supervisor and the maintenance manager are from Java; the

staff lives on the same property
security staff (2 persons) comes from Peti Tenget
main problems of the area:
overbuilding, sewage system and garbage

materials for the buildings are from Indonesia, but the interior is imported mostly from Europe (Italy, Germany, Finnland); steel furniture and teak wood from Indonesia

good relationship with the locals; they build the road to the hotel together, which also helped the farmers who have their rice fields there
there is a foundation called "Rotary Club" which started off by helping people with polio; now they also help local schools when they need something and they founded the initiative "Clean Seminyak" where hotels donate money to pay people to clean the beach
there is also an initiative which goes into the schools and tries to educate the children concerning garbage and the environment
they tried to put a big bin at the village where the river starts that finishes here in Peti Tenget, and told the locals there to put all the plastic there, then call them to pick up the bin and then the locals would also receive some money to do so, but the project was not successful
the owner himself has a biotank and 2 bio purification plants which clean the water up to 80% - 90%
he organized with some other villas a truck for garbage that comes 3 times a week to get all the garbage and bring it to a rubbish tip in Canggu
most bigger cities have a system for the garbage, but the surrounding villages and especially the villages further away don't have any system for their garbage
Japan organized a Garbage plan 3 years ago, but it's not put into action yet because the villages can't agree on a separation system
these efforts have been not effective enough

he is one of the foundation members of the Bali Vila Association
3 years ago 5% of the tourists stayed in villas, now it's 20%
many illegal villas, that have owners who are only there for a couple of weeks or so and the rest of the year they rent the villa to tourists, but they don't pay any taxes or corporate tax and also no insurance for their staff, that's also the reason why many hotels don't like them

90 % of the taxes go to Jakarta, and basically nothing comes back to Bali

Interview 7 from the 4th of April 2007 with Putu Tinjaya from the Taman Ayu Cottage

The hotel started in 1993 and together with the Intang it was one of the first hotels in the Petitenget area. At that time it was surrounded by rice fields.

The top 4 countries are: France, Italy, Asia(Malaysia, Singapore etc.) and Indonesia(Jakarta, Java)
Between January and half March and between September and Half November the biggest market is the business market.

In July, August and December the biggest market is the leisure-holiday market.

At the moment the occupancy rate is 40%(total 45 rooms). The guests are from France, Germany, Australia and Indonesia at the moment.

The top ways guests are obtained are as following: Repetitive guests, Walk in guests, Travel agent, Direct Booking?website?aim for the future

100% of the staff is local, including the owner. On average the staff gets training once a month, this can either be English or courses related to the hotel business such as hospitality.

The hotel provides a shuttle service to Kuta at 11am and 3pm.

In the peak season the hotel works together with other hotels in case they are overbooked.

The tourism industry rules the economy on Bali.

There is no Day tourism in Petitenget. Honeymooners stay in villa's in Ubud, Nusa Dua etc.

Usually the power goes of 3-5 times a month, this is why most of the hotels have there own generator. The water supply is good and usually doesn't stop. Petitenget has its own water well. Tax is paid in order to keep this running.

In order to attract more tourists to petitenget there should come more shops and the beah should be cleaner. However tax is paid to keep the beach clean, but the beach is not cleaned.

Some hotels have there sewerage directly connected to the sea and this should also be changed.

The villa's won from the 5 star hotels regarding visitor numbers. In Petitenget a lot is being built but there are not enough tourists to justify this.

Interview 8 from the 9th of May 2007 with Nyoman Wardawan, the head of Tourism Promotion Division in the Bali Government Tourism Office

The main task is to promote Bali as a destination, so to publicise Bali overseas.

Bali has no natural resources, but has good potencies for tourism. The three key aspects which make Bali an attractive tourism destination are:

Special culture-? hindu and cremations, Bali is alive.

Attractions have magnetic power and people love to revisit Bali again and again

The people are very hospitable. They want to create happiness and love to make other people happy. So they'll always help tourists.

There are 15 main countries on which the tourism ??? focuses these are:

Japan, Taiwan, Australia, South-Korea, Germany, Singapore, The Netherlands, United Kingdom, USA, Malaysia, Sweden, China and Switzerland

The top 2 of countries is Japan and Taiwan.

In 2007 the level of tourism arrivals is expected to be normal again(before the bombs). People will come here again because Bali is still Bali and the beaches are still there.

The government pays everything and items are only published after approval by the government.

Most people working there are form Bali. A lot of them have tourism school back grounds, but there is a wide variety in educational back ground. There are several departments within the tourism board.

– Promotion

Development

Manpower

There is no fear for another bomb. The key issues now are how to tighten the security and how to get Balinese people more aware of suspicious activities. A first step is increasing the number of police.

The think tank of the tourism office is the Balinese Tourism Board which is a private company.

The PR of the tourism office should be improved because it happens that people do not know what activities have been carried out.

A way of promotion is inviting journalists to Bali to show them that everything is safe again.

Another way of promotion is attending travel fairs in China, Australia, India and Germany.

There are 7 terms which conclude the work of the tourism office. Some of them are comfort, memorability, cleanliness and hospitality.

Part of this is to keep Bali clean. They try to keep Bali clean by giving lectures in villages and providing them with bins so that they won't throw garbage in the rivers.

Without septic tanks hotels can officially not get a permission.

The peak season is month 7,8,9.

The main competitors are Thailand, Maldives, Vietnam and Singapore. They have not yet visited competing countries, but plan to do so in the future when there are events going on.

In principle there is no criminality on Bali because Balinese people believe that a good deed will create good loan et vv

For 2008 the aim is 1,450,000 tourists the maximum capacity is 1,600,000 tourists. They don't aim for quantity but for quality.

Balinese people don't go on holidays outside Bali, Bali offers all they need and want.

Interview 9 from the 5th of April 2007 with Haryo Sutamaji, the General Manager from the Villa Resort Alu Bali

Alu Bali is a one star villa because of the few bedrooms but is a four star villa because of the facilities they offer.

To the tourists Alu Bali is called "Boutique villa". They finished building Alu Bali in 2001 and they started operating since May 2002. The concept is minimalist design. This is the simplest design according to him.

They have chosen Petitenget for two reasons. The first reason is that it is a sellable place to the tourist. It is totally different that i.e. Sanur. The second reason is that Petitenget is a quiet place, and not overcrowded at all.

There is one owner who is from Australia (Mr. Norman). From the 7 villa's he sold 6 to foreigners. Most of them are from Hong Kong, one is from India, one from Australia and two from the United Kingdom. It is only allowed to rent the villas. It is not guaranteed that the villas generate income.

In total Alu Bali has 53 employees. 20% of the staff is from Bali, the other 80% are from Java and other islands. They offer once a year training to all employees, and every department refreshes her training every 6 months.

Tourists stay an average of 3 nights at Alu Bali. 60% of the tourist book via internet, 30 % through the travel agents and 10% are walk-in tourists. 60% of the internet bookers are Australians, 20% are Korean and they have package tours and are also the repeat visitors. The rest of the tourists are from Europe, Asian, Singapore and Malaysia. Before the bombings there were also a lot of Japanese people. Nowadays the Japanese market covers only 1%. It is not the first priority for Alu Bali to get them back because the flights from Japan don't go that regular as of the other markets. There are a lot of repeat visitors and 30% of the repeat visitors are undertaking activities by themselves. For the new tourists Alu Bali is taking them on a tour around Bali.

They have an average occupancy rate of 40%. December and January are the busiest months after the bombings. The average occupancy rate of July until September is 60%. The occupancy rate is never more than 60% because of the limited rooms.

The furniture comes from Japan, since this is much cheaper than in Indonesia. The building material is from the local market.

They have good relationship with the suppliers (wholesalers and two travel agents) in their distribution channel. The wholesalers sell the villas directly to the tourists and they have contact with two kind of travel agents. First with local travel agents in Bali and secondly with travel agents in foreign countries. Alu Bali never sells the villas lower than the price the travel agents offer. This

is to protect them and also to keep good contacts with them.

They do not protect the environment. However, they give donations to the Banjar. The last 1 or 2 years the government is not doing anything about the environment, they only promote Bali as a dream destination. The manager thinks this is wrong because the tourists will have a negative image of Bali when they come here and see all the garbage.

The manager believes that tourists come his villa and Petitenget because they love the quietness and also if they want to have entertainment then they can go to Seminyak.

The important competitors for Bali are Thailand and Vietnam, because these are one of the safest places in Asia and also for the reason that these destinations are similar to Bali. The local competitors for Alu Bali are the near situated villas in Petitenget.

Interview 10 from the 6th of May 2007 with Bonita Krämer, the owner and manager of the Waroeng Bonita

In March 2004 the Bonita was opened. The place “chose” him, and he just had to start his restaurant there. The concept of the restaurant is traditional with cheap food. “We are Family”. The restaurant also is a small family business.

The restaurant gets a lot of clients because of Bonita’s looks. The food is a mixture of European and Indonesian food.

80% is foreigner. The foreigners come from Australia, Germany and France. There is a special focus on the gay market.

Bonita is well known in Jakarta and Europe. Part of the entertainment is talking German with the German guests.

Bonita got a lot of free advertisement because of his special appearance. He says to be the most glamorous person on the Island and with his appearance he also get’s a lot of attention. When he goes out a lot of people talk about him and in this way he also gets costumers.

The spa next to the restaurant is always full and is specially focused on the gay market.

He has 21 employees who come from all over Indonesia. The employees are selected by character and motivation. They have to be friendly, have a good heart and they have to be honest. One manager is female all the other employees are male because there were some fights about female employees.

Bonita is well respected because he knows how to handle people.

The competition in the area is good because it brings people to Petitenget and he than attracts these people with his appearance. He believes that competition is needed to grow.

Sometimes there are some shows in the restaurant such as talk shows, hat shows etc. These shows bring a lot of clients to the restaurant. They are held a couple of times a year.

The restaurant has no design, as soon as bonita has money he buys what he likes. In this way the restaurant is also different everytime.

He also has a lot of side businesses such as real estate, boutique and travel agency. The other businesses were opened at the same time as the restaurant. The other businesses are also for other places on Bali not just Petitenget.

Bonita realises that with his restaurant he also promotes Bali.

Petitenget is at the moment one of Bali’s most expensive areas. There is a lot of villa developments and a lot of ricefields which were still here 3 years ago have disappeared. The property here is sold for too high prices

After the second bomb there was a very big drop in the real estate business there was no interest in

buying land and houses at all. Now there is a lot of new interest in especially ground. A problem is that Australian travel agents advise their clients not to go to Bali. In this area there are a lot of Koreans and French. The French are here because a lot of companies in this area are owned by French. There are also some Italians who come here for clothes. If you want to start a business you first need permission from the banjar. You can rent an agent to arrange this for you, but the agent is expensive and works very slow. With the agent it can take weeks and at the local government it only takes two days. The license costs about 200 euros. And it is not the government that makes it hard to start a business but the agent. In this area there is no unemployment if people want to work they can find a job. The education of the people on Bali is not high enough, they just have a highschool education or hotel school. Almost no one has specific education. Therefore most successful people are from abroad. This however doesn't create jealousy amongst the local community because the culture is welcoming foreigners. The people enjoy what they are doing and have no further wishes if they have food and land. That's fine to them. The Balinese people think that white people are more smart than them. There is a garbage problem in Petitenget. This is solved by sending in 30 -50 people on Sunday morning to clean the area. All restaurants pay 100.000 rupee for this. Once the problems are solved and Petitenget finished developing it will be one of the most fancy neighbourhoods. However this will take some time because all the land is so expensive. 3 years ago renting for 10 years costs 700 million rupees whereas it costs 1,5 billion now. So prices are doubled in 3 years. There is some protection system through the government in order to protect renters. So the renting prices are controlled by the government. The most famous restaurants in Petitenget are the Hu'u and the Livingroom.

Interview 11 from the 11th April 2007 with Front Desk Manager of the Putu Bali

The Putu Bali was opened in 2002 just before the bombings. They have guests from USA, Japan, Australia, Singapore, Malaysia, The Netherlands, Switzerland, Taiwan and the Philippines. Most guests come through a travel agent, than by walk in and on the third place internet bookings. Which is especially done by the American clients. The hotel is attractive because of the spa belonging to the hotel, it has nice architecture and a nice tropical garden. Guests stay here because Petitenget is better than Kuta, it's very quiet and calm and a traditional village situation. Most guests stay at minimum on week till 2 weeks, the absolute minimum days is 4 days. People who come there are business men who are relaxing or meet their companion. Also there is a vast amount of study related guests. Petitenget could be more attractive as soon as it would open a nightclub. The occupancy rate on average is 65%. Now it is 45%. The hotel has 16 rooms from which 12 are standard and 4 are familyrooms. Every room has a mini kitchen, AC, minibar TV+Sat. The hotel's spa is also used by guests from outside the hotel, but some guests especially come to Putu Bali for the spa. The biggest competitors are: Bali Ayu, Mystique and Villa Lumbung. Throughout Petitenget there are about 15 competitors. Most materials are from Bali, but some furniture comes from Java. Most food is local. The personnel comes from all over Bali, but especially from Tabanan and Kerangasam. All personnel get's a 3 month hotel school training. In the hotel they speak English, Balinese Indonesian and Japanese. Rooms are sold cheaper through the travelagents. They have agents in Bali, Thailand and Australia.

Interview 12 from the 4th of April 2007 with Emytha Taihatun from PT. Triadi

PT Triadi started as a PMA in 1990. The owners are Australian. Their first projects were the 4 seasons and the Jimbaran. In 1993 they developed Bali Resor. In 1996 there was a crisis in Indonesia and business was very bad at that time. At that time the company had its own resource, design and construction department. After the crisis they did the Grand McArthur investment project.

After this the company was relaunched with the five management people. At this point in time the company has 87 employees. All of which are mainly Balinese. The owners are Australian and the Construction Manager is Portuguese. The head of Marketing is also foreign. For specific projects the company hires expats. When the company was launched they only worked with trained employees, now they also hire untrained persons and provide trainings to upgrade them. For the construction works the company hires Javanese and Lombok persons.

Usually Triadi buys a large Plot of land for which they then make a plan. They have enough money in the company to buy this large plot of land although the money might only return 3 years later. Triadi does not invest in Petitenget itself since the area is too expensive. 100m² costs 300 million rupees. Leasing costs approximately 4 million a year. In Petitenget most land is owned by the local people. The ground for most villas is leased.

A house land package in Petitenget is expensive and costs about \$1,4 – \$2 million.

Example the permit for a \$200.000 project was \$30.000.

The house market on Bali is highly speculative. This makes the market prices even higher.

In the last years Petitenget changed a lot. A lot of villas have been built as have a lot of restaurants.

The area is at the moment developing as a high end destination.

Triadi is quite bad at marketing. The marketing is done through the internet and through Balinese newspaper. They also work together with 3 other companies to do the promotion. (tropical houses, Alied Houses and Exotic). There are just few walk-in guests.

All their projects are realized in Balinese style and with use of the Balinese products. In order to get permission for a building project it is necessary to go to the neighbourhood first and then go to the village, last step is to go to the real government.

At the moment the house market on Bali is kind of slow. The second bomb did not lead to a loss in interest in the company.

There is quite a big number of Europeans living on Bali.

At the moment tourism is getting back to the rate of before the second bomb. January and February already were better than tourism has been long time.

There are at the moment quite a lot of Russians who get married on Bali. They spend 3-5 days in a villa and some other 5 days on Bali before they go back to Russia.

Balinese people believe that when they throw something in the water it will float to a good destination, this might explain all the garbage in the river close to the beach.

Interview 13 from the 12th of May 2007 with Stuart, the publisher of “the beat” magazine and the magazine “fine Restaurants & Villas”

- he himself wanted to start a surf magazine in the middle of the 90ties in Bali, but as there was a strong censor on the media many friends refused to join him
- 1999 the censor stopped and the first surf magazine “surftime” started, he wrote several articles for them
- before the 1st bomb there was very little investment in Bali, it was “dark” and there was a strong drug scene, even though the first villas and the Hard Rock Café started in 1997
- after the 1st bomb people got more aware of Bali and there was a lot of investment and also a lot

of help from Australians

- after that “the beat” became a huge success as they were the only ones who actually who broached the issue of the bomb, they also got popular through that
- the second bomb was different as the people didn't support Bali like after the first bomb
- big decrease of the whole economy in 2005
- it's too easy to always say that the business doesn't run because there are too little tourists, but he thinks it's also caused by oversupply of for example surf shops, that's why the retail sector suffers
- “people become immune to bombs”
- in 2002 they had their offices in Laksmana but it got too crowded, that's why they moved 2005 to Petitenget, they are still near the action but have more space
- thinks that there is so much development in Petitenget right now because of the weak taxation system; many hotels have a higher occupancy rate than what they concede, that's why it is profitable for the sector to build new resorts
- in every edition they have some pages about environmental issues, the current one is about the garbage and the sewage system in Kuta and Seminyak
- after bigger storms there is also coming some garbage from Java
- the government should start an educational campaign
their main target group is youth
- in the trendy bars and nightlife there is 70% Indonesians and only 30% tourists and expats they finance themselves over advertising
- they also have a second magazine called “Restaurants and Villas” which is not for free like “the beat”

**Interview 14 from the 23rd of April with Maik Okrabek,
the manager and founder of the tour operator “mantours”**

- they started their business 2 years ago
- their initiator got inspired to start the business at the gay games 1994 in New York
- he is an active member of the IGLTA (International Gay and Lesbian Travel Association)
- one of the still very few gay tour operators in Germany
- they only work together with gay tour guides
- they have 4 workers in their office in Germany
- languages: German and English
- 20 destinations in their programme
- they didn't have any loss in 2005 or 2006 in relation to Bali
- special programmes on the destination
- the clientele pays attention to the predicate “gay-friendly”
- hotels that want to state themselves as gay-friendly have to pay attention to the special needs of the gay clientele: HIV issues, legal situation in the certain country, can couples show their affection in public?
- about 10% of the German population is gay
- gays usually have more money, as they both have jobs and are more willing to travel than families
- gay travellers in general in the age of 20 to 60
- customers of mantours are in their late 30ties and early 40ties, they like to combine culture, fun and beach
- customers don't need a lot of assistance with choosing the holiday destination, most know in

advance what they want

- German tour guide in Kuta: he addressed mantours to add Bali as a destination; he knows how to approach hotels and restaurants, to find out if they re really gay-friendly or if they only want an increase of customers
- 100 visitors per year on Bali
- the flight is the most expensive and the most difficult, usually they use Thai, Cathay, Gulf Air – Singapur Airlines is very expensive even though the quality is very high
- many repeat visitors
- how he describes the Callego in Petitenget: oasis of tranquility, no salesmen
- competition to Bali: Thailand and Vietnam

Interview 15 from 6th April 2007 with Manager Ludirman and I.G.A. Bulan Purnama from marketing department of The Living Room

They opened in July 2002 and have 3 owners. They are from France, Laos, and Lebanon. The concept wasn't formal, families liked to come here. They were the first restaurant with an Asian menu. Nowadays 65% are Australian customers, and there are more French than Asian influences. They have many connections with French families who live here.

They have 3 owners, French and Balinese.

The staff is from all over Bali, and 10% is from Petitenget itself. The Living Room has 35 woman as employers. They have a new marketing plan. They created a new website, they flyer every weekend and they find it important that create a socialize network. Besides being a restaurant they also have a lounge bar which is open from Friday until Sunday.

After the first bomb in 2002, tourist arrivals went well in two years, but after the second bomb the tourist numbers went up slowly. The tourists who come there are from Australia, Japan, Korea, and Taiwan. A small percentage (5%) is the locals who come and eat there. Also tourists from Nusa Dua, Legian and Oberoi are visiting the Living Room.

PMA: many investors are foreigners; they can import machinery, material. It is more complicated to report the tax to Jakarta. There are all kinds of rules, guidelines. In Indonesia are all the rules the same. You get all the information from the government.

The minimum wage for an employee is Rp. 65.000 per month.

Suppliers: Furniture from Central Java and food is a combination from Australia and Indonesia. Before they used US beef but because of the Anthrax they don't import it anymore.

The Living Room work independently, Seminyak is a competitor because of fine dining, the Oberoi and Warisan are also strong competitors.

Government checks every 6 months everything: food, water → water drainage from sea into garden. Hotels and restaurants pay \$200 to a small company to clean this area. The company collects the money and hire jobless people to get the garbage, they clean every morning 5o'clock.

Not so many tourists come to the temple, more locals because of all the celebration.

They have a lounge bar which is open from Friday until Sunday, and in the weekends they are always full.

Interview 16 from 4th April 2007 with Miss Evi, General manager of Tony's villa

In October 1999 they start building Tony's Villa and from 30th June 2000 on they are open to

tourists.

The owner is from Bali: I Wayan Tony Swandi. They have in total 22 villas, but they are not private. They have 19 double rooms, 3 twin rooms and last year they added 1 room with connection door.

In 2002 they had a relationship with Sueba (Spa). They get a certain % of income; they also sell Tony's Villa souvenirs.

Mr. Swandi bought this land 10 years ago, he invested money in it and he had the instinct that tourism will grow in this area. Tourist are from Europe (French mainly) and Australia. The percentage that comes from Asia is relatively small. They had good relationships with travel agents in Taiwan, before the bombings there were a lot of Taiwanese tourists but nowadays it is very hard to get them back to Tony's Villa.

The French people who come here are mostly for business and Australians come here for leisure and going away the whole day.

Their peak season is from 25/12 – 05/01, high season is from 01/07 – 31/08 (Australian holiday). The important competitors for Tony's Villa are Lombok, because of the same environment, and Thailand since they have cheaper price for accommodation and Thailand has also beautiful beaches and culture and so on. The average occupancy rate is 85%. The length of stay at Tony's Villa is 2/3 nights.

Most of the staff is from Bali, only 2 are from Java. In total 32 employers work at Tony's Villa. They don't offer training for the staff but in the future there will more time and budget to do so. They sometimes work with other villas, i.e. if they have over bookings than they recommend tourists to other villas.

Tony's Villa doesn't really have a promotion plan, people hear from other tourists about this place. They have good relationships with travel agents in Bali and out of Bali.

Tony's Villa has an own intern environment policy.

All the suppliers are from Bali, and the material used for building and furniture are also from Bali.

She thinks tourists are coming to Petitenget because it is not overcrowded like Kuta. They like the quietness, relaxation.

Interview 17 from 10^h April 2007 with Gede Redana, General manager of the Sanyas Suites

The Sanyas Suite opened in 26-08-2006, during peak seasons.

People started building villa's everywhere from 1989.

People that book a room use travel agents (75%-80%), business people also use travel agents but also through internet.

This is a boutique hotel; villas are growing fast in Bali. Here people have their own personal service.

They have 8 villas > 2 bedroom villas

The marketing goes through internet and travel agents. The manager is also taking part of the marketing, they are reaching for a mix market: Asia market > Chinese, Japan, and Korea. This is because they are close by.

They have most leisure guests > honeymoon. The guests are leaving around 9 o'clock and come

back in the evening.

He has 20 employees and they are all from Bali. They get 2 month training. They are graduated from hotel schools.

The owner is Balinese. They have choosing for this location because it is close to the airport, beach, shopping area.

The beach has a lot of garbage because of the wind last month. It is hard to say where the garbage if from but possibly from other islands. If the guests complain about the dirty beach, they will take them to a cleaner beach, this is part of the service.

All furniture are local, they do not import from other islands.

They see in every villa a competitor, especially in Seminyak, but also Jimbaran.

The new highway is good, but the traffic is still a big problem and he hopes that the government will take care of it soon.

Interview 18 from 9^h April 2007 with I. Nengah Puja Aryasa, Operations manager of Villa Lumbung

Villa Lumbung is a boutique resort with a traditional concept (Balinese concept). They started 10 years ago.

The owner is from Sulawesi, and 10 years ago there were 2 owners; 1 from Indonesia and 1 from Germany. The owner from Germany has started his own business: silver souvenir business.

They offer hotel facilities in villa concept, they also have a spa which is for in-, and outside guests.

Staff is mixed, they are all from Bali and are all graduated from tourism school. They also give intern training.

Tourists are from Europe, Indonesia and Australia. They are staying for 1 week. Mostly business people are from Europe and the USA. In July until September there are only leisure tourists. The reasons for them to come to Villa Lumbung is because of the traditional concept.

They also get a lot of walk in tourists.

The average occupancy rate is 35%. The peak season is July, August and December.

In 2004 most of the guests were Australians but after the second bomb has it reduced to only 20%, Villa Lumbung has reduced prices but they still won't come back.

He doesn't know who are the strongest competitors for Villa Lumbung, because they are the only one with a Balinese concept.

Thailand and Malaysia are supported by the government because of the promotion. Government is doing promotion for Bali through ITB, PATA.

They don't have much to do with the Bali Villa Association, they don't pay fee so they don't have to attend meetings.

They operate through travel agents and their own website.

Interview 19 from the 3rd April with Annie Pham Ahman Manager of the Bali Catering Company

Catering company Bali is a daughter company of the Warisan™ restaurant. Which was founded 10 years ago. The owners are 2 French men. They both are trained chefs.

Warisan™ is a Mediterranean restaurant which is very successful and also known outside Bali.

The catering company was a logic step after the successful restaurant.

The catering company is located in Petitenget because it is close to Warisan™ (kerobokan), petitenget is centrally located, the street is not too busy, it's easy accessible and because it's at the beginning of the eat street.

The company doesn't have a very strict structure. The directors are French and below them is the manager. Further professional staff is hired per event. The mentality is hands on and active.

Almost all employees are local except the owners and manager. Employees are hired as well trained as untrained. The company also trains employees. Mentality of the employees is don't act unless you're told so.

Specialty of the catering companies are weddings. From 50 – 300 guests. Mostly take place in villa's with a beautiful landscape. Petitenget has almost no weddings, because it is a dining and dense with almost no beautiful views. Bali is a wedding destination.

Promotion runs mainly through the restaurant, but lately they are building their own reputation through word of mouth. In the past they also had some advertising but this is now cut down.

A lot of products are imported, but for local meals the local ingredients are being used. However to large usage of specialized and tailor made products there is a lot of import.

Indonesia is strict about ownership. It is possible for a foreigner to have a company but usually companies appoint an Indonesian nominee on which the company is registered. This nominee is often not active in the company.

If setting up an event no permission from local government is needed. However permission from the police and the village is needed. No request always means problems.

Basically the winter months x-mas till March are bad months on Bali.

The worst period after the bombings was 6-12 months later. Until short the tourists that were on Bali didn't come out of the resorts. Now they are starting to come out of the resort again and starting to undertake day tours again.

Amongst expatriates 5 day trips are popular and they often still have a house on Bali.

Indians have found their way to Bali.

Bali will develop as a high class destination since it has more high class hotels on such a small location than anywhere in the world.

Appendix 2: The business cards



PT. TRIADI

Emytha Taihutu

HP. 0811380281

Jl. Raya Petitenget No. 8 Y
Kerobokan - Kuta - Bali
Telp. 62.361.733896
Fax. 62.361.733889
E-mail : pttriadi@indosat.net.id
Web : www.triadibali.com

TAMANAYUCOTTAGE
TRULY MEMORABLE BALI



Putu Tinjaya

FO Supervisor

Mobile : 081 338 512 124

Jl. Petitenget, Kerobokan, Kuta, Bali - Indonesia
Phone : (62-361) 730111 (Hunting), 730112, Fax: (62-361) 730113
E-mail: sales@tamanayucottage.com
info@tamanayucottage.com
www.tamanayucottage.com

Haryo Sutamaji
General Manager

Alu Bali Villas
Jalan Raya Petitenget, Gang Alu, Kerobokan, Bali 80361
Tel. +62 361 736 445 Fax: +62 361 736 680
E-mail: sales@alubali.com Website: www.alubali.com

ALU
Bali
alangin

managed by :
Widya

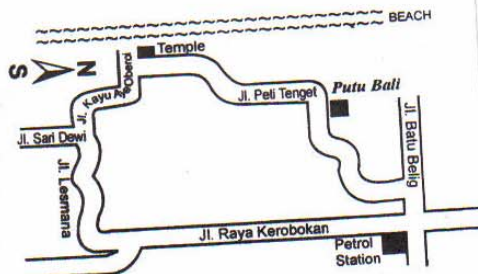
bco

Annie Pham Ahman
Manager

Jl. Petitenget No. 45
Kuta 80361, Bali, Indonesia
Tel : +62 361 737 324
Hp : +62 361 744 0925
+62 812 384 1825
Fax : +62 361 737 325
annie@balicateringcompany.com
www.balicateringcompany.com

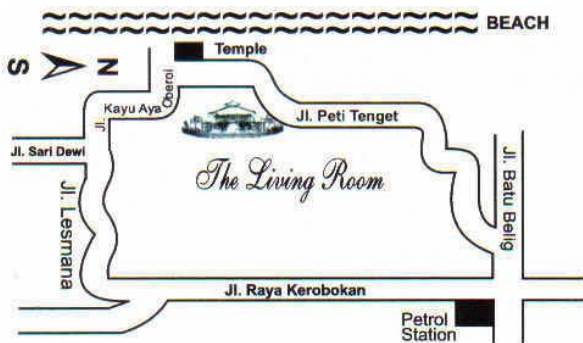


balicateringcompany
www.balicateringcompany.com



Mr. Pande
putu bali
Villa & Spa

Jl Peti Tenget 72 X PO. Box 1070, Seminyak - Kuta - Bali
Phone : 62 (361) 739659 Hunting
Fax : 62 (361) 733145
E-mail: sales@putubalivilla.com
Web : www.putubalivilla.com



Phone : 0361. 7460252.
 HP : 081. 79741390

The Living Room

I. G. A. Bulan Purnama
 Public Relation
 081. 805. 535113
 Jl. Petitenget 2000 xot Kerobokan - Kuta - Bali
 Telp. (0361) 735735 - 736736 - 7421813 Fax (0361) 736736
 website : www.livingroombali.com
 e-mail : email@livingroombali.com

bali Mystique hotel & apartments

NORMAN J. ROWE

Jalan Petitenget 2000XX Kerobokan - Bali
 Telp.: 62-361 - 730465 - 7443989 - 737415
 Fax: 62-361-730465
 HP.: 081 2382 9183
 Email : balimystique@hotmail.com
 Website : <http://www.balimystique.com>

nice cafe

Coffee, Juice, Lassy, Shake
 Sandwiches, Pizza
 Salad, Cold Cuts,
 Mini Market, Bakery & Deli

Present this Coupon
 Complimentary
 a cup of Cappuccino

Jl. Petitenget, Kerobokan - Kuta - Bali

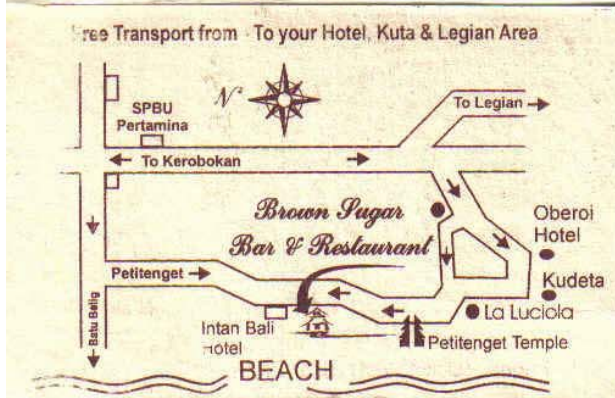
Hotel Bali Ayu

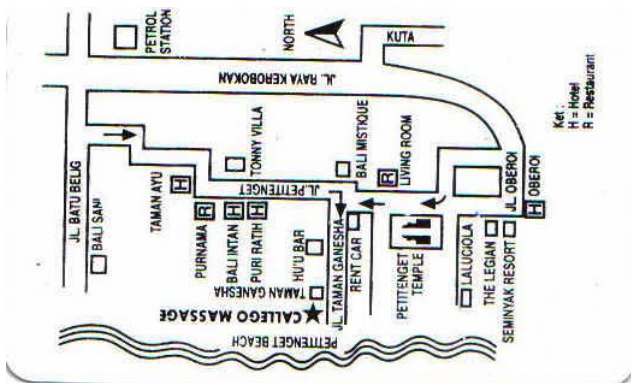
Jl. Petitenget No.99X Kuta, Bali - Indonesia
 Tel.: 62 361.731 263 - 731 264 • Fax: 62.361.731 264
 E-mail: reservation@baliayuhotel.com • Website: www.baliayuhotel.com

Brown Sugar Bar & Restaurant

A. John

Address :
 Jl. Petitenget, Kuta - Bali - Indonesia
 Phone : (0361) 739 923 . Ph/Fax : (0361) 732 884

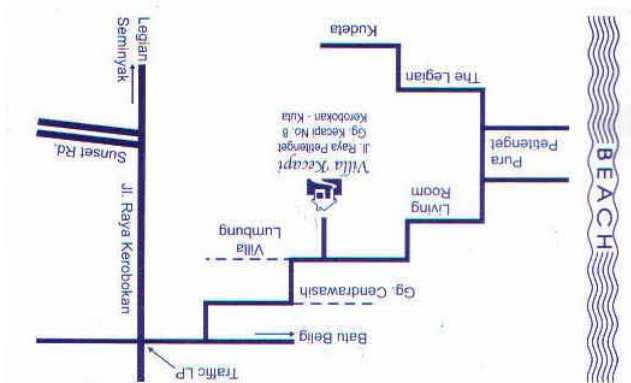




Callego
Massage & Warung
 Petitenget Beach, Jl. Taman Ganesha/9
 Kerobokan Kelod, Kuta, Bali 80351
 H: +62 81131 081 855 6308, felp. (0361) 730370

Services:

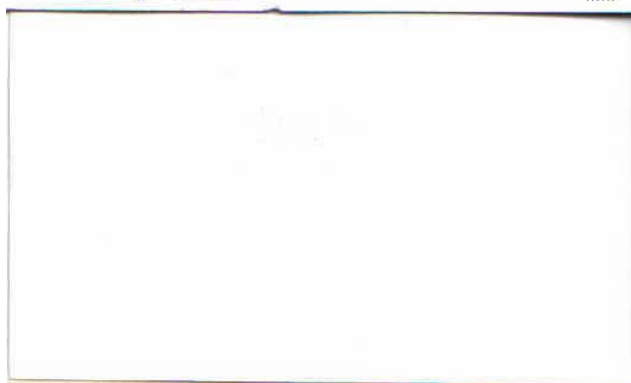
- Therapeutic Relaxing
- Reflexology
- Deep Tissue Massage
- Combination of all
- Long chair and beach umbrellas
- Bar & Beach Cafe



Villa Kecapi Bali

Richard

Jl. raya petitenget gg. kecapi no. 8 - kuta - bali
 tel: +62 (361) 742 0519 fax: +62 (361) 730 135
 mobile: +62 (0) 81 835 1928 e-mail: richard@villakecapibali.com
 www.villakecapibali.com

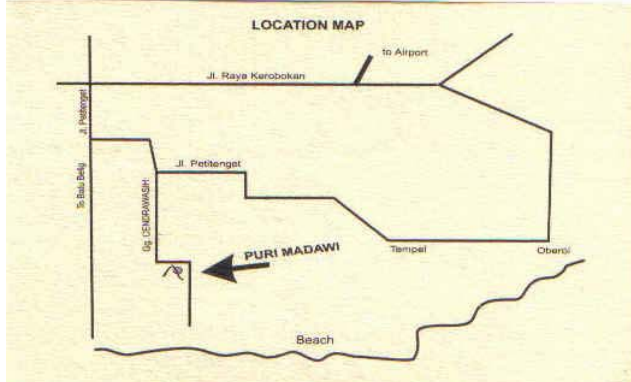


SANDIKI JAYA
 RENT A CAR

I WAYAN SUDARTA

Home :
 Jl. Gunung Sopotan
 Telp. (0361) 734384

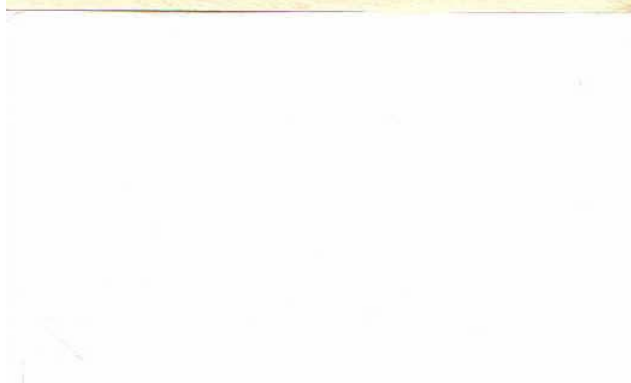
Office :
 Jl. Petitenget No. 100 X
 Telp. (0361) 7836166, 7438250



puri madawi

Daniel Kornfeld
 hp: 0811- 39 53 34

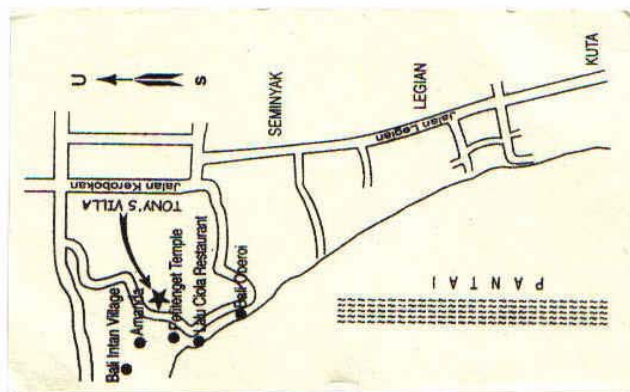
pl. puri madawi
 Jl. petitenget, gg. cendrawasih 68, kerobokan, bali
 tel: +62 (0361) 73 93 60 fax: +62 (0361) 73 93 62
 info@madawi.com www.madawi.com



Export Silver & Gold Jewelry

Andreas Kuhn
 Managing Director

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 Petitenget - Kerobokan, Kuta Bali 80361
 Tel: 62-361 731611, 731533
 Fax: 62-361 731611
 Mobile: 081 139 3853
 andreas@bask.com
 www.baskbali.com

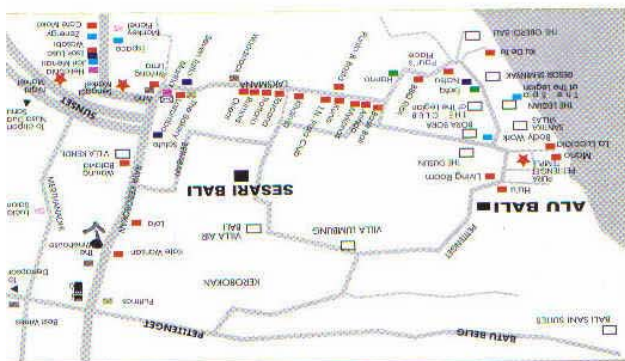


Tony's Villa Manager
Ms. Evi

Email : info@balitonys.com
 Phone : (62-361) 736166, 735522

Http : www.balitonys.com
 Fax : (62-361) 730081

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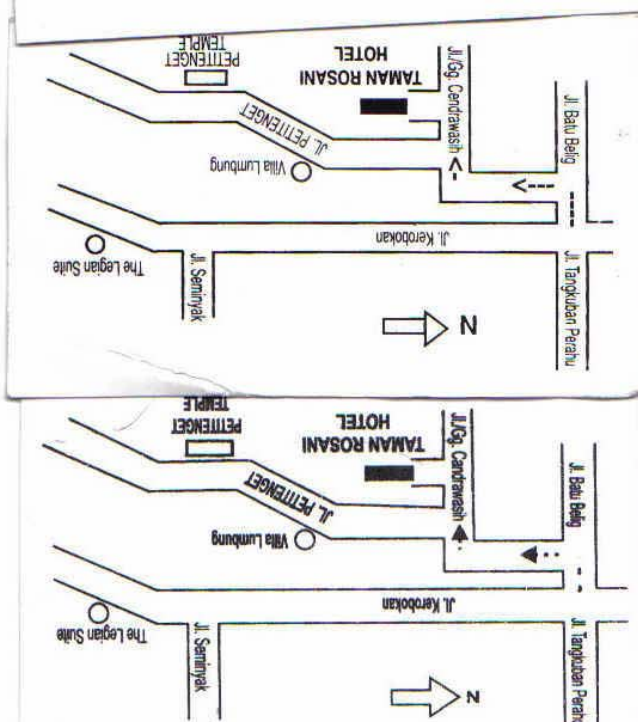


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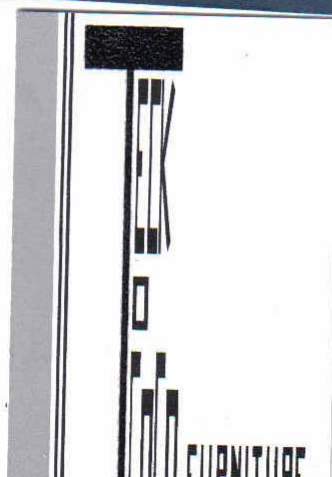
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Appendix 3: the issue “The existence of sex tourism”

Quote 1:

«We have to act based on evidence. At the moment, I have never known if our children in Kuta prostitute themselves. We only know that they become guides and bring their guests to their villages. Other villagers think that it is normal. If they are proven to have done prostitution we certainly will give them adat sanctions. »

(Village Head, March 1998).

Quote 2:

«This is the characteristics of life in Kuta. Street prostitutes, street vendors, street children operate day and night. If this is prohibited the characteristics of Kuta will lose. Because this is also one of the power of attractions of Kuta. »

(Employee of tourist bar, June 1998)

Quote 3

«Let them be children prostitutes, that clients need them very much. If we do not have them, no guests are coming. I also get fortune if Johan the gigolo has guests here. »

(Security man, Pub, June 1999)

Appendix 4: the questionnaire we handed out to the market segments

Dear guests,



We are students of the University of Applied Sciences in Breda, the Netherlands, and doing research about tourism development in this area of Bali (Peti Tenget).

We would kindly ask you to participate in this survey, and help us to carry out this project.

Filling in this questionnaire would cost you approximately 10 minutes and all information will be treated strictly confidential.

Please hand in the completed questionnaire at the place where you picked it up as soon as possible or latest on Friday, 13 April 2007. In case of any questions, our contact details can be found at the bottom of this page.

Thank you very much for your help and we wish you a great stay here on Bali!

Rudy van Bruggen
Nitza Meinen
Nena Vladescu
Frauke Wolf

Frauke Wolf
+62 819 1676 1425
+31 616 359 244
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Country of residence _____
Nationality _____
Age _____
Profession _____
Gender ☐ male ☐ female
Accommodation _____
Length of stay (in days) _____
With how many persons do you stay _____
Do you travel ☐ individually ☐ organized tour

Have you been to Bali before? ☐ yes ☐ no

Which other countries have you visited during the last five years?

Which other countries did you consider while planning this holiday?

Why did you eventually choose Bali?

What did you imagine about Bali before coming here?

How has this image changed while being here?

What was the reason to stay in your particular accommodation?

What was the reason to stay in this particular area (Peti Tenget)?

How would you describe Peti Tenget to your friends and family back home?

How did you prepare the holiday?

How did you book this holiday?

- ☐ through travel agent ☐ online ☐ no advance booking made
☐ other: _____

How much time in advance did you book the holiday?

- ☐ last minute ☐ 1-3 months ☐ 3-6 months ☐ 6 or more months

What is the purpose of your stay in Bali?

- ☐ holiday ☐ visiting friends/ relatives ☐ business: _____

If holiday: What is the main reason for this holiday?

- ☐ relaxation/ spa ☐ adventure ☐ culture
☐ escaping every day life ☐ getting married ☐ honeymoon
☐ being with friends ☐ nature ☐ beach and sun
☐ other: _____

Which activities do you prefer to do while being here on Bali?

Which kind of transportation do you use while being here?

Which places on Bali have you visited during this stay?

How satisfied are you with the following aspects?

	Very satisfied	satisfied	slightly dissatisfied	not satisfied
Friendliness of people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cleanliness of the area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beach	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Leisure activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Restaurants	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accommodation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Safety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Spa possibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liveliness of the area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any suggestions for improvement of this area?

Thank you very much!

You have been a great help to us!

Appendice 5: The logbook

Monday, 2.4.07

Moved from Bali Ayu to Taman Rosani in Petitenget

Started individual observations (Jl. Petitenget and the beach) and collecting business cards and flyers of companies located in the area.

Afterwards we met to discuss our observation, identify important actors and decide on interview possibilities. We made a schedule for the next day, dividing tasks and setting objectives.

Meeting in the evening with the group Basangkasa to discuss boundaries of our areas.

Tuesday, 3.4.07

In the morning, we started making appointments and collection useful data about actors in our area. After that, we briefed each other about the scheduled appointments. Some hotels promised to call us back, but three appointments were already made (Catering Company, Taman Rosani and Triadi Real Estate).

Meet Catering Company in the afternoon, after that group session about outcomes and further actions, task dividing and discussion about encounters.

While having dinner, interview with Agung John, owner of the Brown Sugar.

Wednesday, 4.4.07

Meeting with teachers at Taman Rosani Hotel, after that we split up to make appointments with Putu Bali, Tony's Villa, Furniture shop and Alu Bali.

Had interviews with Triadi Real Estate and The Kayana in the afternoon. Later we discussed the previous selected market segments and the ATM part. As a conclusion we brainstormed about other ways to approach tourists in our area. Making a time schedule until Friday.

Thursday, 5.4.07

While two of us visited the Temple and spoke to the Priests, the others went to two appointments at Alu Bali and the Furniture shop. In the afternoon we observed tourist behaviour at the beach and during the late evening in our area.

Friday, 6.4.07

Meeting with NHTV teachers in Legian. We rescheduled this meeting from Monday to Friday because we wanted to clarify certain things before the weekend.

We still face problems with interviewing tourists and needed advice.

Also we continued with interviews (Tony's Villa and Living Room) and found out about C151, the huge real estate company. Dining at Bonita, where we found out about Gay markets and the importance of Petitenget for gay people.

Saturday, 7.4.07

Free time: Rudy left for an island tour in the morning. The rest of us went to Ubud to see Monkey Forest and traditional dances.

Sunday, 8.4.07

Returned in the late afternoon and made plans for next week. Making a checklist what information we still miss and where we can get it from. We picked up the printed questionnaires to start distributing on Monday.

Monday, 9.4.07

We distributed questionnaires in several hotels. Interviews were held with villa owners and Villa Lumbung and tourists that live in these accommodations.

Two of us went to Denpasar to talk to the Bali Tourism Office.

Frauke was sick and had to call a doctor.

Rudy tried to speak to the local government where he was rejected because of visa problems. In the evening, we read our checklist again and found out that there are still some points we should investigate further.

Tuesday, 10.4.07

The next interview was held at Sanyas Suites.

Interviewing tourists in hotels.

Wednesday, 11.4.07

Several interviews: Huu Bar, Putu Bali, C151 and Puri Madawi

Other hotels permitted us to leave questionnaires behind. Response rates are still very low. The French school was located and we walked to the manager making an appointment for this evening, but he never came.

Thursday, 12.4.07

This morning we made an evaluation of our research and concluded that we are still missing a map. It started raining and it was not possible today to start drawing.

Another attempt to see the school manager failed because again he did not meet us at our scheduled time.

Friday, 13.4.07

We left Petitenget in the late afternoon, after picking up questionnaires and hours of walking around to put the area on a map. We thanked companies for their help and brought them presents.

Saturday, 14.4.07

Stayed in All Seasons Legian again, making trips to Nusa Dua and Dreamland.

Sunday, 15.4.07

Leaving Bali

Appendix 6: Setting up a PMA

In Indonesia it is for foreigners not allowed to just buy a piece of land, houses or set up a business. In order to buy property and/or set up a business foreigners need to either marry an Indonesian wife/husband or involve themselves in a PMA. Now following is an explanation of the PMA.

PMA stands for: Penanaman Modal Asing, which means foreign investment company.

In 1967 the law for PMA was set up. This structure was set up because there had just been an economic crisis and foreign money was needed to bring the country back on it's feet. Therefore the Indonesian government decided to make a law to make it possible for foreigners to invest in Indonesia.

A PMA can only be set up as a partnership between a foreign actor (Corporation or individual) and an Indonesian actor (Corporation or individual). When a foreigner has found an Indonesian partner he can register the partner ship and than can invest in Indonesia. The investment can be a 100% foreign investment. The Indonesian partner does not have to be involved in the company at all. The Indonesian partner is just needed to get the PMA permission. A PMA company does not get an unlimited existence time. In general the investor get's a 30 year permit and this permit can be extended by another 30 years.

There are several benefits for a PMA which an investment made though marrying an Indonesian does not get. The benefits for a PMA respectively are:

- Duty free import of machinery, equipment's, spare parts and auxiliary equipment's
- Restitution (drawback) of import duty and import charge on the importation of goods and materials needed to manufacture the exported finished products.
- Allowance of employment of foreign operational directors, managers, technicians, experts and even specialised workers.

Regarding land property rights there is a destinction in which purposes the PMA has with the land. The Indonesian government makes a 3 distinctions:

- The Land Cultivation Right (Hak Guna Usaha, abbreviated HGU)
- The Right of Building on Land (Hak Guna Bangunan, abbreviated HGB)
- The Right of Use on Land (Hak Pakai, abbreviated HP)

The Land Cultivation Right (HGU) is the right to use state owned land for the purpose of agriculture(plantation, fishing or cattle raising). The HGU can be run for a maximum period of 35 years, but may be extended to 25 years if the land is properly use and managed. The land can be passed to a third party after government approval.

The Right of Building on Land (HGB) is the right to construct and own buildings on a piece of land that one has purchased. This can be run for a maximum period of 30 years which can be extended for a maximum period 20 years. This permit can also be passed to a third party after government approval.

The Right of Use on Land (HP) is the right to use land for any purpose for maximum period of 25 years, it can be extended for 20 years. This permit is non transferable.

It is possible for the foreign investor to end the relationship with the Indonesian partner. If the company is a 100% foreign investor the relationship can just be ended. If there also is partial Indonesian investment then the Indonesian partner has to be bought out.

The tax system

Indonesia makes use of a progressive tax system. There is no difference in tax rates for individuals and Corporations. The tax rates are as follows:

- Income up to Rp. 25.000.000 = 5 %
- Income over Rp. 25.000.000 up to Rp. 50.000.000 = 10 %
- Income over Rp. 50.000.000 up to Rp. 100.000.000 = 15 %
- Income over Rp. 100.000.000 up to Rp. 200.000.000 = 25 %
- Income over Rp. 200.000.000 = 35 %