

## **Development of The Batu District Tourism Industry in Supporting Tourism Competitiveness**

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### ***Abstract***

Tourism is an increase in motor competitiveness in the economy in Batu City. intense and increasingly intensive competition, forcing the "company" in this case the region to have the right strategy in managing existing resources and must be able to adapt to conditions in the field that continue to change due to unsettled needs. Increasing competitiveness is carried out by identifying the efficiency of each activity to maintain tourist attraction, along with evaluation by paying attention to this chain effect to improve quality in order to survive by adjusting to changing consumer needs. Batu District is a sub-district that has strategic value for tourism activities between two other sub-districts in Batu City, it is necessary to do a strategy for industrial development and to support tourism competitiveness in Batu District.

**Keyword:** Tourism, Tourism Competitiveness, Strategic Value

### **Introduction**

The development of the tourism sector has grown so rapidly that it has an impact on increasing the country's foreign exchange earnings and is able to expand business opportunities and provide new jobs for the community in order to reduce the problem of unemployment. The tourism sector is nothing new in both developed and developing countries. Many people do tourism activities as a necessity of life. It aims for relaxation, curiosity, visiting friends/family, experiences and entertainment to release tiredness and boredom from daily routines.

Changes in the trend of the tourism sector, which initially could only be carried out by the upper class, but have now turned into the necessities of life for everyone in all corners of the world, have an indirect impact on the need for the provision of all components or tourism products. The provision of these tourism products (supply side) is considered important to meet

the needs of tourists which includes the provision of tourist attractions (tourist attractions), facilities and infrastructure, means of transportation, accommodation, travel agents, food and beverages, tour operators, tour guides and souvenir items. other tours.

In order to support the running of tourism activities and provide all components of the tourism sector in a tourist destination, a good and integrated planning is needed by involving all related elements, including the government, the private sector, the community and academia. Planning for the provision of tourism products is intended to attract tourists to visit and motivate tourism industry players to be more innovative, creative and create added value for various products or services that will be provided to tourists who will visit.

A tourist destination cannot be separated from the tourism industry. The tourism industry is a collection of interrelated tourism businesses in order to produce goods and services to meet the needs of tourists in the implementation of tourism. In the development of the tourism industry, the responsibility for the preservation of culture and the natural environment must be considered so as to be able to realize a competitive, credible, sustainable tourism industry and an integrated business partnership. It is well recognized that the development of tourism as a strategic industry requires a very large investment so that in an effort to avoid financial waste, a strategy is needed in the form of careful planning and is supported by planners or experts (professionals) in their fields. Furthermore, the uncontrolled growth of tourism industry activities as a result of poor planning will cause major problems and socio-cultural impacts for the local community.

### **Research Objectives**

The purpose of this study was to determine the elements of the tourism industry in Batu District by outlining the factors that influence tourism competitiveness in Batu District and formulating tourism competitiveness strategies in Batu District

### **Literature Review**

#### **Tourism Industry**

The tourism industry is a collection of interrelated tourism businesses in the context of producing goods and/or services to meet the needs of tourists in the implementation of tourism<sup>1</sup>.

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<sup>1</sup> (Bernecker, 1956)

The tourism industry is not an industry that stands alone, but is an industry consisting of a series of companies that produce services or products that are different from one another. The difference is not only in the services produced, but also in the size of the company, the location of the domicile, the form of organization that manages it and the method or method of marketing it.<sup>2</sup> The tourism industry also has linkages with other sectors, because tourism is said to be a combination of phenomena and reciprocal relationships, namely the interaction with tourists, business suppliers, government and tourist destinations as well as tourist area communities. The synergy of the creative economy and tourism will result in economic recovery and the development of positive tourism, which is expected to occur in the development of community empowerment (local communities) through the creative economy which will bring positive things, this is one model of tourism development in the future. The tourism industry sector now has to adapt to methods, namely media promotion and online marketing.

#### **A. Tourism Activities**

Tourism activities are activities related to efforts to meet the needs of human life to obtain pleasure. The pleasure is enjoyed thanks to the services provided by certain parties. Tourism itself is an industry. In accordance with the term, the definition of industry is “the quality of working hard, the production of goods, the creation of wealth by human efforts”<sup>3</sup>.

Industrial activities require hard work to be successful, which will provide a number of products that will provide satisfaction and well-being to humans. That's why the word industry always implies a business that produces products. The product is a series of services that have economic, social and psychological aspects. Tourism products are produced by various companies such as hotel services, transportation services, entertainment services, tour organizing services and so on. Provided by the community include roads and people's hospitality. Provided by nature such as natural scenery, beaches, oceans and so on. These services are a series of interrelated with each other and form a single entity called "Package"<sup>4</sup>.

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<sup>2</sup> (Tahwin , 2003)

<sup>3</sup> (A.S. Hornby, 1978:22)

<sup>4</sup> (Hakim. 2016)

## **B. Small and Medium Enterprises Supporting Tourism**

Small and Medium Enterprises (UKM) and home industry that are not legal entities are economic actors spread across all economic sectors, are businesses that create many business fields without having to have a certain level of education or special expertise. Nationally, the contribution of this type of business to gross domestic product is very significant. The government's policy to give greater priority to development that is oriented towards empowering the people's economy, especially SMEs and home industry, is very strategic and will have a broad impact on employment<sup>5</sup>.

According to Husband and Purnendu in Tambunan (2005) in the journal explains the crucial development of SMEs because they have a major role in the economic growth of a country. In addition, it is explained in his research that the problems that are often experienced by SMEs are:

1. Lack of capital,
2. Marketing is difficult,
3. The organizational structure is simple and the division of labor is not standard,
4. Management quality is low,
5. Human resources are limited and of low quality,
6. Most do not have financial statements,
7. The legal aspect is weak and,
8. The low quality of technology.

Therefore, Hafsa (2004) explains that efforts can be made to deal with problems in the development of SMEs, namely:

1. Creating a conducive business climate,
2. Capital assistance,
3. Business protection,
4. Partnership development,
5. Training,
6. Establish a special institution,
7. Establish associations,
8. Develop promotions,

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<sup>5</sup> (Surya, 2007)

9. Develop equal cooperation

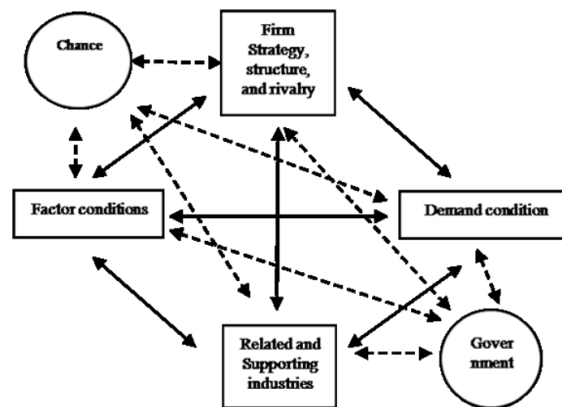
## Methodology

### D. Location of Research

This research was conducted in Batu District, Batu City, East Java. Batu City is a city located in East Java Province, Indonesia which was formed in 2001 as a part of Malang Regency. The stipulation of Batu City as a National Tourism Destination (DPN) with the type of natural tourist attraction in the National Tourism Development Master Plan 2010-2025 as stipulated in Government Regulation of the Republic of Indonesia Number 50 of 2011 has a direct impact on development infrastructure, infrastructure and public facilities, increasing empowerment community and investment development

### E. Analysis Methods: Porter's Diamond System

The Porter Diamond Model describes the four main determinants that make up the diamond model and mutually reinforce one another. The four determinants are (1) factor conditions, (2) demand conditions, (3) related and supporting industries, (4) strategy, structure, and rivalry. In addition, there are supporting determinants, namely the opportunity factor and the government factor. The model will create structure that determines the rules of competition in each sector playing a role in long-term competition (Sun et al 2010). The Porter Diamond Model is depicted in the following Figure:



**Figure 2** Porter's Diamond Model

sources: (Vlados , 2019)

## Results and Discussion

### 1) Batu City Tourism Attractions and Resources

Tourist attraction is everything that has uniqueness, beauty, and value which includes the diversity of natural, cultural and man-made wealth as the target or destination of tourist visits. To develop a tourist attraction, a planned and directed effort or effort is needed in order to improve or improve facilities, accessibility and attractions or tourist attractions in an existing tourist attraction so that it becomes better and more useful so that it becomes attractive to tourists and able to visit. provide benefits to the local community and local government. The tourist attractions in Batu District are divided based on the characteristics of the tourist objects, namely: natural, artificial and cultural tourist objects and attractions. The following is a potential tourist attraction in Batu District:

**Table 5** Potential Tourist Attractions in Batu City

<b>Tourist Attractions</b>	<b>Potency</b>	<b>Tourism Destination</b>	<b>Village</b>
<b>Batu District</b>			
	Mountains and natural forest/ nature park/ forest park	Gunung Banyak Taman Hutan Kota Wisata Olahraga Panderman Wisata Sobran	Songgokerto Urban Village Sisir Urban Village Pesanggrahan Village Sisir Urban Village
<b>Nature</b>	Waters	Wana Wisata Coban Rais Sumber Torong Park Wisata Pakan Ikan Kali Brantas Desa Wisata Sumberejo	Oro - oro Ombo Village Sisir Village Sidomulyo Village Sumberejo Village
	Agriculture	Kampung Tani Temas Kampung Wisata Songgokerto Rest Area Petik Apel	Temas Urban Village Songgokerto Urban Village Sidomulyo Village

<b>Tourist Attractions</b>	<b>Potency</b>	<b>Tourism Destination</b>	<b>Village</b>
		Pasar Bunga Sekarmulyo	Sidomulyo Village
		Pasar Bunga Sidomulyo	Sidomulyo Village
		Wisata hidroponik	Pesanggrahan Village
		Sawah rojo art farming	Pesanggrahan Village
	Farm	Wisata edukasi susu (perah susu, pemberian makan ternak, pembersihan kandang)	Pesanggrahan Village
		Pemandian Tirta Nirwana	Songgokerto Urban Village
		Jatim Park I	Sisir Urban Village
		Jatim Park II	Temas Urban Village
<b>Artificial Tourism</b>	Recreational and entertainment facilities/ Theme Parks	Museum Angkut	Ngaglik Urban Village
		BNS (Batu Night Spectacular)	Oro - oro Ombo Village
		Eco Green Park	Temas Urban Village
		Wonderland Waterpark	Temas Urban Village
<b>Cultural Tourism</b>	Cultural Tourism Attractions	Taman Wilis	Sisir Urban Village
		Alun - Alun KWB	Sisir Urban Village
		Masjid Agung An-Nur	Sisir Urban Village
		Gedung Kesenian Sendratari	Sisir Urban Village
		Klenteng Kwan Im Thong	Sisir Urban Village
	Panderman Art Camp	Pesanggrahan Village	

<b>Tourist Attractions</b>	<b>Potency</b>	<b>Tourism Destination</b>	<b>Village</b>
		Kampung Seni 3S (Sajid Sareh Samadil)	Pesanggrahan Village
		Gereja Jago (GPIB Margo Mulyo_	Pesanggrahan Village

Source: Survey Results, 2022

## 2) Industry Supports Tourism

Law Number 10 of 2009 concerning Tourism explains that the tourism industry is a collection of tourism businesses that are interrelated in order to produce goods and/or services to meet the needs of tourists in the implementation of tourism. The development of the tourism industry includes the development of structures (functions, hierarchies, and relationships), competitiveness of tourism products, tourism business partnerships, business credibility and responsibility for the natural and socio-cultural environment. The tourism industry is developed based on the characteristics and needs of each region. Meanwhile, tourism business is a business that provides goods and/or services to fulfill tourist needs and organize tourism. People or groups of people who carry out tourism business activities are called tourism entrepreneurs.

Sub-districts that are developed as agro-cultural-based tourism destinations have agricultural potential and geographical conditions that are able to support agro-cultural-based tourism activities. The aspects included in the tourism industry include restaurants, lodging, travel services, development of tourist destinations, recreational facilities and tourist attractions.

**Table 6** State of Industry Breakdown by Business Group and Batu District, 2016 - 2020

<b>Kelompok Industri</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Formal Industry</b>					
- Business Unit	61	84	90	41	172
- Total Labor	259	307	324	180	458
- Investment Value (Million Rp.)	4 189	3 842	4213	13 398	15 276
- Production Value (Million Rp.)	13 226	13 788	10852	26 795	33 391
<b>Informal Industry</b>					



<b>Kelompok Industri</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
- Business Unit	21	50	55	50	570
- Total Labor	43	210	84	50	647
- Investment Value (Million Rp.)	51	850	920	175	617
- Production Value (Million Rp.)	78	1600	1729	383	1 270

*Sumber: Dinas Koperasi, Usaha Mikro dan Perdagangan Kota Batu*

There are 2 types of tourism industry groups, namely in the formal industrial sector which consists of 172 business units, 458 workers with an investment value of Rp. 15,275,000,000. and production value of Rp.33,391,000,000. Then the non-formal industrial sector has 570 business units, 647 workers with an investment value of Rp. 617,000,000 and a production value of 1,270,000,000 in 2020.

### **3) Small and Medium Enterprises Supporting Tourism**

In Law no. 20 of 2008 concerning Micro, Small and Medium Enterprises, it is explained that micro-enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for micro-enterprises. Meanwhile, small business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become a part either directly or indirectly of a medium or large business that meets the criteria. small business. Then a medium-sized business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly with small businesses or large businesses with total net assets. or annual sales. While partnership is cooperation in business linkages, either directly or indirectly, on the basis of the principle of mutual need, trust, strengthening, and benefit involving MSME actors with large businesses. The partnership aims to:

- a. create partnerships between SMEs;
- b. encourage mutually beneficial relationships in the implementation of MSME business transactions;
- c. encourage mutually beneficial relationships in the implementation of business transactions between MSMEs and Large Enterprises;
- d. develop cooperation to improve the bargaining position of MSMEs;

- e. encourage the formation of a market structure that ensures the growth of fair business competition and protects consumers; and
- f. prevent the occurrence of market domination and concentration of business by certain individuals or groups that are detrimental to MSMEs.

Small and Medium Enterprises (SMEs) in Batu District have a strategic value in the economy which plays an important role in overcoming and reducing the unemployment rate in Batu District. SMEs have two important roles, namely as a forum for innovation and acting as initiators, controllers, drivers in development and development in Batu District. The following is a description of the condition of SMEs in Batu District.

**Table 7** Number of Owners of Trading Business Permits by Type in Batu City 2016 – 2020

No	Type of business	2016			2017			2018			2019			2020					
		The type of company			The type of company			The type of company			The type of company			The type of company					
		(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)			
1	design	1			2	4	0				2	3	0	2	0	0	2	0	0
2	Building material	0	10	5	0	4	0	0	2	0	0	0	1	0	0	0	1	0	0
3	Palawija	2	0	0	1	1	1	4	0	0	5	0	0	5	0	0			
4	Food/ Drink			1				5	2		2					2			
		0	55	6	78	43	3	4	5	1	7	7	0	7	7	0	7	7	0
5	Furniture	5	0	3	1	4	0	0	2	0	0	0	0	0	0	0	0	0	0
6	Textiles, Shoes and Clothing	1		1	1	3	1				2	2	1	2	1	1	2	1	0
7	chopping board	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0
8	Gold and Jewelry	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	TV, Radio and Tape	0	4	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0
10	Sports equipment				0	0	0				0	0	0	0	1	0	0	1	0
11	Etc	3	16	0	28	11	1	1	2	3	1	2	4	1	2	4			

No	Type of business	2016			2017			2018			2019			2020		
		The type of company			The type of company			The type of company			The type of company			The type of company		
		(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
1		8	2		6		7	7	4	6	6		6	6		
1		7	23	4	11	17	7	6	3	5	3		5	3		
2	<b>Total</b>	3	4	2	1	7	8	9	1	6	2	6	5	2	6	4

Source: Department of Cooperatives, Micro Enterprises and Trade of Batu City

(1) = Micro Company

(2) = Small Company

(3) = Medium Enterprise

In 2020 Batu City has added 52 types of micro-enterprises, 36 types of small-scale enterprises and 4 types of medium-sized enterprises. Where SMEs in Batu District experienced a decrease in additional requests for business permits in the last 5 years from 349 SMEs in 2016 and in 2020 there were only the addition of 92 SMEs.

Besides Small and Medium Enterprises (SMEs), Batu City also has creative economy sub-sectors including Design, Fashion, Film, Animation and Video, Crafts, Culinary, Publishing, Fine Arts, Music, Games/Games. The details regarding the distribution of the Creative Economy Sub-sector in Batu District can be seen in the table of the Creative Economy Sub-sector in Batu City as follows:

**Table 8** Creative Economy Sub-Sector in Batu District

No	Desa	Subsektor	Jumlah Pekerja
<b>Kecamatan Batu</b>			
1	Pesanggrahan Village	Design interior	1
2	Ngaglig Urban Village	Product Design	9
3	Songgokerto Village	Product Design	2
4	Temas Village	Fashion	-
5	Sisir Urban Village	Fashion	4

No	Desa	Subsektor	Jumlah Pekerja
6	Sidomulyo Village	Fashion	9
7	Oro Oro Ombo Village	Movies, Animation and Videos	-
8	Sisir Urban Village	Photography	4
9	Sisir Urban Village	craft	3
10	Sisir Urban Village	craft	2
11	Sisir Urban Village	craft	1
12	Pesanggrahan Village	Culinary	-
13	Ngaglig Urban Village	Culinary	3
14	Ngaglig Urban Village	Music	7
15	Sisir Urban Village	Publishing	5
16	Temas Urban Village	Art	-
17	Ngaglig Urban Village	Art	3
18	Ngaglig Urban Village	Music	6
19	Oro Oro Ombo Urban Village	Product Design	4
20	Sisir Urban Village	Culinary	2
21	Sisir Urban Village	craft	-
22	Temas Urban Village	Music	-
23	Temas Urban Village	craft	20
24	Pesanggrahan Village	Culinary	5
25	Sisir Urban Village	craft	2
26	Sisir Urban Village	craft	5
27	Temas Urban Village	Product Design	2
28	Temas Urban Village	Product Design	2
29	Ngaglig Urban Village	Games/Games	15
30	Sidomulyo Urban Village	craft	3
31	Sidomulyo Urban Village	craft	3

No	Desa	Subsektor	Jumlah Pekerja
32	Temas Urban Village	Culinary	-
33	Sisir Urban Village	Art	-
34	Pesanggrahan Village	Fashion	-

Source: Batu City Tourism Office

Batu Sub-district has 1 economic sub-sector in the field of interior design, product design 5, fashion 4, film, animation and video 1, photography 1, craft 9, culinary 5, music 2, product design 3, games/games 1 and fine arts. 1.

### Conclusion

The existence of natural and cultural resources owned by Batu District is very large and can be empowered as a tourist attraction to increase tourist visits, both domestic and foreign. Seeing the natural and cultural potential that dominates in Batu District, Batu District is established as a community-based tourist destination. Tourism in Batu District will have to provide great benefits to the local Batu community. Efforts to develop tourism potential in Batu District need to be carried out to optimize tourism resources in Batu city by diversifying, differentiation, and positioning products which consist of a number of specific tourism products.

Not all tourist attractions in Batu District have been supported by various types of businesses supporting tourism activities, this is an obstacle in realizing quality services for tourists. So that on the one hand the quality of the tourism industry has not been able to develop optimally, and on the other hand the value of the economic benefits of tourism has also not been able to be developed to support the local economy.

For this reason, intensive coordination and good partnerships are needed between tourism industry players in various associations and organizations that have been formed to support tourism activities. Strengthening the structure of the tourism industry is also carried out through increasing synergies and distribution justice between the links forming the tourism industry, so that healthy tourism business competition can be realized at all levels.

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