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SMEs Opportunities in Tourism Sector Based on Community Development in Banten

HER. Rahmat Taufik *

Ismail Lebai Othman **

[ABSTRACT]

The general objective of this paper is to examine how local community would react to entrepreneurial opportunities arising from tourism development in the destination. Without a doubt, that community participation in a destination is imperative in order to achieve a successful tourism development. The study is based on a model of small business opportunities in community-based tourism sector. During the economic crisis of 1998, SMEs in Indonesia were able to sustain resistance and has a chance to grow even more in the growing tourism format of community participation. The research was conducted using quantitative research to provide empirical generalizations, setting objectives, concepts, proving the theory, and developed a theory. The research subjects were 400 entrepreneurs spread across three districts using proportional stratified random sampling technique. Research data obtained using a questionnaire. The study shows that there is a significant relationship to collaboration, substitute products, promotion, acquisition and joint venture opportunities in the community. However, the inclusion of moderating variable has produced a mix results. Research shows that there is also a direct effect of community-based tourism development of SME entrepreneurial opportunities.

Keywords: Entrepreneurial Opportunities, SMEs, Community Based tourism, Participation, Banten

1. Introduction

Community involvement in tourism development could impact significantly on tourism environmental preservation and economic growth.

* Faculty of Economy and Business, Universitas Sultan Ageng Tirtayasa, Banten Indonesia.
Email: hertaufik@gmail.com

* SBM, College of Business, University Utara Malaysia.
Email: i.othman@uum.edu.my

Tourism could continue if the tourism products featured, in harmony with the local environment in particular with the involvement to the community of the destination. Therefore, local communities will be the focus of tourism revenue resources. Local community feels the activity as part of their life as (Cemea, 1991) suggests that the participation of local communities provide many business opportunities.

By (2005) states in the tourism industry, small

and medium enterprises often are dynamic and are actively involved in the process of managing change in the environment that leads to the challenge. Rabellotti (1994) suggests the development of the tourism industry can assist the growth of small and medium entrepreneurs in various aspects. This can be seen from the tourism sector's contribution to national income and an increase in the number of small and medium entrepreneurs in countries around the world. The tourism sector has become a major sector in many countries and Naisbitt (1997) confirmed that tourism is among the largest contributor to the national income and a major sector in the global economy.

Performance is a measure of sustainability and perseverance of small and medium enterprises over a certain period of time, where the opportunity is one thing that will determine the development of the company for the purpose of continuing growth and profitability of the business. However, the success is bound by the knowledge, attitude and behavior. Opportunities and achievements of small and medium enterprises can be seen from the level of sales, profitability, return on capital, earnings and market achieved (Glueck and Jauch, 1993). Meanwhile, Kirsten Marie Rogerson, Christian (2002) states that the opportunities of their research effort also determined by business linkages between small and large companies. So entrepreneurs need to be motivated to take their chances (Bentler & Speckart, 1979). The opportunity stems from several factors, changes in technology, such as fax, e-mail, internet, and telephone. The technology is a productive tool for sending and receiving information to enable entrepreneurs to increase productivity.

Indonesia as a country that is on the equator and has thousands of islands and natural wealth and diversity of flora and fauna. The natural beauty of the mountains and the ocean, the beauty of the jungle life and the delicious food and the friendliness of its people coupled with a variety of custom and culture, thus has a huge potential to develop the tourism industry (Ohashi & Kholil, 1995). Tourism prospects in future based on the data released by the WTO, shows an increase in tourists' arrivals from 1.046 billion in 2010 to 1.602 billion tourists by the year 2020. The expected increase in the amount of 231 million tourists will visit East Asia and 438 million tourists will visit the Pacific region. The tourism

industry is able to create revenue of USD 2 trillion in 2020.

There are enormous potential of tourism products involving the community. Banten has an area province is 9,662.92 km² with a population of 11,005,518 people (BPS, Banten 2012). The majority are Muslim mainly depend on the livelihood from agriculture, trade, industry and services. Each province has the characteristics of cultural tourism resources, natural, synthetic and traditional community life. It has the potential as a tourism destination of national and even international scale, such as Anyer beach charm, Carita and Tanjung Lesung, Pulau Umang, Ujung Kulon National Park. Religious tourism is also Banten Lama and the uniqueness of traditional Bedouin communities. Banten Province has a total of 922,227 entrepreneurs (CBS, 2009). The attractiveness of tourism products (destination) in Banten are based on several categories mainly, marina tourism, historical tourism, nature reserves and other tourist products. Based on data from Disbudpar Banten Province, in 2010 the number of domestic visits was 3,022,000 tourists, while foreign tourists were 117,000 people. In 2011 then Disbudpar targeting an increase of 10 percent foreign tourists, namely from European countries and from Asia such as Japan, Korea and Malaysia, and they have achieved that.

The potential of tourism can open up opportunities for SMEs, but the problems faced by SMEs to maximize the potential of tourism in Indonesia is the ability to plan development and develop effective marketing communications. SME growth will lead to a positive impact on employment growth, poverty reduction, and income equality across rural economic development. SMEs need attention because it not only provides income for most Indonesian workers, but also a pillar of poverty reduction (Hunt, S.1990).

To support SME business opportunities in sustainable tourism sector, the tourism sector needs to involve the community. Community involvement in the tourism sector aims to create harmony with the surrounding community. Thus, people will feel the tourism activity as part of their life, Cemea (1991) suggests that community involvement will provide many business opportunities. Business opportunities

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