

IMPLEMENTATION OF TOURISM SECTOR DEVELOPMENT POLICY THROUGH DEMARKETING IN IMPROVING SME IN BANYUWANGI

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Abstract

The successful development of the tourism industry creates direct and indirect economic impact, as well as spillover, that drives the SMEs and the economy. In 2011, tourism became the fifth largest contributor of foreign exchange, consequently increasing the tourism sector is also expected to grow the SME sector. Stakeholders involved include the government as a regulator policy, community, and SMEs to support the tourism sector. This study aims to determine the implementation of tourism policy in Banyuwangi and the impact of these policies on the SME sector. This study used a qualitative approach; data collection is by interview, documentation, and literature. The results show that the cornerstone of the planning and implementation of tourism programs in Banyuwangi covers the tourism industry, tourism destinations, and tourism institutions; tourism and marketing have been executed better. The implementation of the demarketing strategy brings positive impact on the preservation of nature, so the concept of responsible and sustainable tourism can be realized. In addition, based on the data of SMEs rural areas, tourist sites show positive trend from year to year. The demarketing strategy is successful in supporting the potential of SMEs to thrive in Banyuwangi.

Keywords: *Implementation of Demarketing, SME Development, Tourism Development*

1. INTRODUCTION

The successful development of the tourism industry creates direct and indirect economic impact, as well as spillover, that drive the SMEs and the economy. In 2011, tourism became the fifth largest contributor of foreign exchange after oil and gas, coal, palm oil and rubber processing. With the ability to produce a large number of foreign exchange, the tourism industry is very promising economically as a major contribution to development funding.

A quite interesting integration that could be done for areas that have tourism potential is SME development. Tourism industry such as hospitality and tourism area manager be obliged to give room for SME in marketing their products. The linkage between tourism and SME is very significant, this association provides a systemic effect interdependent with one another. In the implementation, two local government agencies have the duty and the obligation to implement the mandate in the Act Number 20/2008 on SMEs, Law Number 10 / 2009 on tourism and Regional Regulation Number 13/2012, those are the Department of Culture and Tourism Banyuwangi and

Cooperatives and SMEs Banyuwangi. Integration of the two government agencies in addition to have a duty as mandated by the Regional Regulation Number 13 / 2012, both of which also have a role as a formulator to protect the sustainability of tourism businesses and SMEs to be able to continue to grow not only economically but also environmentally friendly. But in reality, the economic benefits derived from tourism is often accompanied by the emergence of the problem of decreasing natural resources, social and cultural issues, as well as environmental issues. One challenge is associated with the threat of environmental damage resulting from the operation and the existence of various tourism facilities, such as hotels, villas, restaurants, art shops, travel agencies, and other supporting facilities.

Research and trends indicate that travelers are now more sensitive to environmental issues than ever before (Chhabra, 2009), while their number is increasing and growing relatively rapidly (the Goddess, 2011). On the other hand, the developed areas of tourist attractions sometimes bring negative impacts due to improper management. In addition, based on research conducted in the United States, it is known that the marketing of historical tourist

attraction tends to be managed by the pressure of financial needs and does not consider the values of sustainability (short-term tendency) (Chhabra, 2009). Respond to the opportunities and challenges, recently it has been introduced a concept of tourism development which is based on the principle of balance between three main elements of environmental, social, and economic. This concept is called Sustainable Tourism Development. An outline of the many things mentioned above, we can conclude the three stakeholders, the government, in this case the department in charge of SME and the agency of Culture and Tourism Banyuwangi as a regulator of policies, as well as SME that support the tourism sector.

2. LITERATURE REVIEW

Kotler and Levy first introduced the demarketing concept in 1971. They define demarketing as “marketing aspects related to reducing the volume of customers in general or a particular type or specific customer temporarily or permanently” (Kotler and Levy, 1971). It is important to note that demarketing is not the opposite of marketing, but rather “an integral part of the general marketing” (Cullwick, 1975). Demarketing sometimes is equated with marketing (eg. Golden and Suder, 1994; Groff, 1998; Moore, 2005; Wall, 2005). The purpose of demarketing may actually is to improve the quality of temporary (and by) reducing the quantity.

3. RESEARCH METHOD

This study is descriptive analytical research. Zauziah (2005) said descriptive research is a kind of study to give symptoms, facts, or events systematically and accurately, on the nature of the population or a particular region. The approach used in this study is a qualitative approach to understand the phenomenon of what is experienced by the subject of research by the description in the form of words and language in a specific context naturally.

This study was conducted in Banyuwangi since Banyuwangi is one of the regencies in East Java that performs well in the empowerment of SME. Banyuwangi Government’s commitment to the empowerment of SME and Tourism can be seen from the legalization of Regulation Number 13

Year 2012 on Tourism Development Master Plan of Banyuwangi. The regulation explains mechanism of empowerment of tourism and also SME supporting tourism organized by the Government of Banyuwangi so it can serve as a reference in measuring the success of Tourism and SME empowerment program by using the concept of demarketing. The key informant in this study was Mr. A. Rofik, a representative from the Department of Culture and Tourism Banyuwangi. This research used observation, interviews, library research, and documentation, in data collection.

4. DISCUSSION

4.1. Banyuwangi Government Policy in the Field of Tourism

Banyuwangi Government refers to the Regional Regulation Number 13 of 2012. One of the messages of Regulation Number 13 of 2012 Article 17 is to develop Banyuwangi tourism. The government’s role as a regulator in the development of regional tourism in Banyuwangi is indispensable considering the implementation of a marketing strategy to raise the living standards of the local community and the responsibility for the preservation of nature.

Regulation Number 13 of 2012 Article 24 states that every person has a responsibility to help create a safe and orderly atmosphere, clean environment, to behave courteously and to preserve the environment of tourism destination. It is clear that there is an emphasis that everyone, the government, or any person is obliged to maintain security, beauty, and environmental sustainability of tourism destinations. Regulation Number 13 of 2012 manages Tourism Development Master Plan (RIPKK), so this regulation is the guideline of operational activities related to tourism in Banyuwangi. Banyuwangi tourism development according to RIPKK includes tourism industry, tourism destinations, and tourism and marketing institutions.

a. Tourism Industry

Based on the explanation of the informant, Mr. Rofiq as the staff in the culture and tourism information, tourism will never advance without the support of other industries. As tourism should be assisted by various supporting factors such as a growing and potential industry in the area.

Many industries can be found in Banyuwangi, such as craft industry, agro industry, food and beverage industry, tourism industry itself, and others. For example, the informant explained about agro-industry developed as a tourism destination. Therefore, it is not only as a producer of raw or processed products, but also as a tourist destination that is also educational. The informant also explained how the craft industry is also one of potential to be developed along with tourism industry in Banyuwangi. One of them is batik industry. Batik Banyuwangi has had more than 20 motifs, including Gajah Oling, Kangkung Setingkes, Grising, Moto Pitik, Paras Gempal, and others. Then there are also Abaka banana fiber weaving craft, whose material can only be found in the plantation Bayu Lor. Actually Osing community since long has been famous for weaving craft, and one of which is Abaka.

One of the messages of Regulation Number 13 of 2012 Article 17 is to develop Banyuwangi tourism by involving and giving encouragement and protection for Micro, Small, and Medium Enterprises (SME) in the development of tourism in Banyuwangi. According to the informant, the support is in the form of active participation in an event or activity. For example is exhibition for SME products. The Department of Culture and Tourism participates actively in promoting tourism, or providing support in the form of exhibition in a tourist area. Likewise, when the Department of Culture and Tourism holds activities or events then the SME Department and related SKPD provide good assistance or product booth, so there would be no overlap of duties between SKPD in Banyuwangi. However, there needs to be improvement of communication systems between SKPD to avoid miss communication.

b. Tourism Destination

According to the Law of the Republic of Indonesia Number 10 2009, Tourism Destinations is a geographic region in one or more administrative regions in which there is a tourist attraction, public facilities, tourism facilities, accessibility, and community interrelated and complementary in realization of tourism. From the two definitions, tourism destination is the embodiment between the manager and the managed. In this case, the manager is the operator consisting of government officials as well as travel owners,

while the managed aspect might be the local community as well as tourists who come. Without attraction in a region or a specific place, it is difficult to develop tourism. Therefore, before it becomes a tourist destination, a location that has the potential to become a tourist destination should at least create a tourist attraction.

According to the informant, human resource development in order to develop rural tourism object (ODTW) is also a thing to consider for the Department of Culture and Tourism, because it also affects the level of comfort. Moreover, according to the informant, planning tourism in Banyuwangi is currently focusing to learn and conduct eco-cultural implementation. Eco-cultural is a development concept that combines cultural nuances and culturally friendly tourism. Because according to the informant, most tourist destinations in Banyuwangi are interrelated with the natural environment, such as coastal resorts, the area of forest conservation, as well as various historical sites. Besides cultural tourism is also a contributing factor that influences the development of tourism, such as the culture of Banyuwangi in the form of art and history. Eco-cultural tourism strongly supports the vision and mission of Banyuwangi in tourism development.

c. Institutional Tourism

Institutions generally refer to organization. Organization serves as a place, while institutional includes the rules, ethics, and code of ethics, attitudes, and behavior of a person or an organization or a system. Institutionally, the Department of Tourism and Culture Banyuwangi is very attentive and is making the best strategies possible, which is reflected in the management of pre activities such as planning and post activities including evaluation and recommendations for future strategic plan in the Tourism Development Master Plan (RIPKK), Strategic Plan, and Accountability Description Report (LPKJ). The legal basis for the operational implementation is Regulation No. 13 Year 2012 on tourism, set on all tourism development guidelines for Banyuwangi. Then preparation of activities based on the guidelines is set out in the Strategic Plan as the reference in the technical implementation of tourism development in Banyuwangi. According to the informant, there is no activity that has no legal basis and is not well planned. All activities are

already managed through good planning, through the correct legal procedures and easier to evaluate. The Department of Culture and Tourism Banyuwangi has 35 people as their staff.

However, according to the informant, there needs more staff, because many will retire. Tourism activities in Banyuwangi are currently the core of the program by Mr. Abdullah Azwar Anas, the Mayor, so extra energy to take care of the entire existing attractions in Banyuwangi is needed. For example, there are only a few people to control before activities take place. If any events take place in another place, not to mention when there are guests from out of town during holidays or weekends, the Department can simply run out of staff. The tour guides that are members of the HPI (Indonesia Guides Association) Branch Banyuwangi, as many as 27 people, also support the Department of Culture and Tourism.

d. Marketing

Banyuwangi tourism concept is developed according to the concept of regional development. There are two things, the first is the development of tourism based on local wisdom, and the second is the preservation and development of nature and local culture. From these two aspects, it can be said as development of a balance between development and preservation.

According to Mr. Rofiq as the informant, the wrong mindset and principles of tourism management need to be addressed now are the number of tourists to be taken to a tourist destination as well as the services and facilities they want. Discussing the two important things will certainly relate to many things. When talking about how many tourists can be attracted to come to a tourist destination, of course we also talk about the regional economy. The more tourists come, the higher the income will be. However, the fatal mistake often overlooked or deliberately not addressed is the capacity of an area to receive visitors, because this will have an impact on the sustainability of the resources in the area used as a tourist attraction. Therefore, there should be alternative marketing strategies implemented by the Government of Banyuwangi, surely through the Department of Culture and Tourism by implementing demarketing strategy.

The informant states that demarketing concept has been implemented at various tourist attractions such as Baluran National Park, Pantai Teluk Hijau, Kawasan Wisata Rogojampi, Pantai Grajagan, and Alas Purwo since 2015. There has been some indication that the community feels uncomfortable on cleanliness and preservation of nature, and then they apply some rules. The informant recommends the two sites, namely Pantai Pulau Merah and Alas Purwo as research objects.

4.2. Overview of Study Sites and Application of Demarketing Concept against Development of SME

a. Pantai Pulau Merah

Pantai Pulau Merah is located in Sumberagung Village, Pesanggaran Sub-District, Banyuwangi. There is a report of the local community and tourists on the cleanliness of Pantai Pulau Merah. As reported by Detik.com, waste in the form of twigs, coconut shells, and bamboo are seen along the coast. Not only that, junk food wrappers and plastic bags are also scattered around the beach. In addition, if the weather is rainy, the river in the east coast will bring waste in the form of household waste to the beach. The litter from the sea is also littering the beach, carried by the waves (Web: detik.com, 2015). Therefore, in 2015, some rules started to be applied. Among them are restrictions on visiting hours, so the beach could be cleaned up so that visitors can be more comfortable being on the beach.

Because demarketing strategy has only been implemented since 2015 in the coastal region of Pantai Pulau Merah, the researcher could not conclude the results of the implementation of demarketing to the growth of Micro, Small and Medium Enterprises (SME) or household business as intended by the informant. However, when the researcher was conducting research, demarketing strategy implementation was in the process. Pantai Pulau Merah is located in Sumberagung Village, Pesanggaran Sub-District, Banyuwangi.

b. Alas Purwo National Park

It is located in the east of Java Island precisely in Tegaldlimo and Purwoharjo Sub-District, Banyuwangi, East Java. Alas Purwo National Park was designated as Wildlife Conservation Sites of South Banyuwangi by decree of the Governor General of the Dutch

East Indies Number 6 stbl 456 dated September 1, 1939 with a total area of 62,000 ha. Then, through the Minister of Forestry Decree No. 283 / Kpts-II / 1992 dated 26 February 1992, it was converted into a National Park.

For example, roads are not built in Alas Purwo under the reason of maximum protection, as vehicles cannot go in and out of the woods. In addition to not building good roads, a facility to watch the animals is provided in Sadengan Savanna in certain hours in the morning and afternoon, when the animals are looking for food. The bad roads and the restrictions on the number of visitors can be categorized as demarketing strategy by limiting and reducing the number of tourists, so conservation areas can still be preserved.

Application of demarketing means reducing the potential arrival of tourists, and a decrease in the potential arrival of tourists obviously will affect revenue and production factors of the surrounding communities. One of them is the SME, since SME is one of the supporting factors for tourists to visit. In this case, demarketing in Alas Purwo National Park will affect the surrounding community in Tegaldlimo, especially activists of Micro, Small, and Medium Enterprises (SMEs). Nevertheless, it turns out that the application of demarketing has no effect on the condition of SME in Tegaldlimo; this is evident in the number of SME observed starting in 2008 a year after the adoption of the regulation to 2013. The number of SME in Tegaldlimo in 2008 was 29 SME and this number last until 2010. The increase happened in 2011 and 2012 with the number of 34 SME. In 2013, there were as many as 35 SME. According to the informant, the restrictions do not make people's income to decline, because there is still an alternative tourism in other areas. This means mutual support between regions is important so that revenue from one region to other is interdependent, because there are different product lines. Therefore, the demarketing strategy has succeeded in creating good conditions for nature conservation, and has no effect on the growth of SME in Tegaldlimo.

5. CONSLUSIONS AND SUGGESTIONS

Based on the results of research as well as the theories and concepts used, in general it can be concluded that the implementation of tourism development policies to improve the

SME sector in Banyuwangi with reference to Regional Regulation of Banyuwangi Number 13 of 2012 is already running well. Positive impact is seen in the field such as the development of four sectors of tourism industry, tourism destinations, institutional tourism, and tourism marketing by the Department of Culture and Tourism.

The implementation of demarketing strategy is very effective to preserve nature. Pantai Pulau Merah stays clean and Alas Purwo National Park stays preserved. Demarketing strategy is successfully implemented in the tourist destinations of Banyuwangi. The implementation of demarketing strategy has no effect on SME; it is evident from the increasing number of SME in Sumberagung, the travel site of Pantai Pulau Merah, and Tegaldlimo, the location of Alas Purwo National Park.

This study shows that Banyuwangi tourism has grown rapidly, as evidenced by the numerous awards it has received. Thus, it is necessary to develop a strategy that is more precisely to maintain the growth. Triangulation from the public, local government, and universities or private parties is needed. Communication and coordination of SKPD related to tourism should be built better. In addition to communication problems between SKPD, the institutional need for the rejuvenation as well as additional structural and functional personnel to deal with tourism is indispensable. This is to avoid overlap of work on personnel.

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