

Tourism Competitiveness of South Sulawesi Province

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Abstract—The purpose of this study was to analyze competing strategies in tourist destinations. The research method was a survey. The sample units were 149 respondents. Data collection technique used a questionnaire instrument with Likert scale measurement. Respondents were asked to provide answers to closing statements. Respondents are visitors to the leading tourist areas in South Sulawesi Province. Data analysis method used descriptive statistics to describe the research variables. The results show that tourists choose differentiation strategies compared to cost leadership strategies and focus strategies in determining tourist sites. The results of this analysis reinforce that tourist visitors use differentiation strategies as the main competitive weapon compared to cost leadership strategies and focus strategies on determining tourist attractions.

Keywords—*competitiveness, cost leadership strategies, differentiation strategies, focus strategies*

I. INTRODUCTION

Tourism is an important component in supporting economic progress in Indonesia. This sector can be a macro source of large foreign exchange for developed countries [1] more specifically for developing countries [2][3]. Tourist visits are largely determined by tourist attraction. UU No. 10 of 2010 concerning tourism explains that tourist attraction is anything that has uniqueness, beauty, and value in the form of diversity of natural wealth, culture, and man-made results that are the target or destination of tourist visits. Bali tourism has seven attractions, namely: (1) reasonable tourism product prices, (2) culture in its various manifestations, (3) beaches with all its attractions, (4) comfortable traveling, (5) wide opportunities for relaxation, (6) image / image on behalf of Bali, and (7) natural beauty and friendliness of the population [4]. As for foreign tourist arrivals to Sulawesi because of (1) ethnic culture, (2) sports, (3) shopping, (4) entertainment, (5) fauna, (6) natural events, and (7) Tirta [5]. This means that tourist visits to tourist destinations because there is a special attraction in the tourist attractions.

Tourist attraction will be a core competence as a basis for competitiveness if the tourist destination is better than other tourist destinations. The position of tourism competitiveness is very important to know because it can be used as a benchmark for the success of tourist destinations provided by the government. The higher the competitiveness they have, the more tourists visit the tourist destination. The concept of competitiveness may seem easy to understand, but a clear concept is needed when you want to analyze from various sources [6][7][8].

The study conducted by Kozak & Rimmington [9], Haahti & Yavas [10] aims to measure tourism competitiveness in tourist destinations by knowing tourist perceptions and opinions of the region / country. Based on the tourists' opinions and perceptions, competitiveness indicators can be made, namely: (1) beach quality, (2) hospitality of the population, and (3) shopping facilities. Carvalho [11] said that it is necessary to promote tourist destinations as tourism products that are increasingly differentiated and competitive. A competitive advantage can be achieved if the entire tourist destination is superior to other alternative destinations [12]. Competitiveness measurement attracts attention to be studied because it is a crucial factor for the success of the tourism industry [9][13]. Tourism competitiveness factors are very important and need to be considered, such as the natural environment (geographical location, climate, scenery), artificial environment (infrastructure, transportation, shops, and hotels).

The grouping of resources to determine competitiveness is important considering that the identification of competitiveness factors is a crucial aspect [14] and is quite complicated because different concepts occur from the definition of competitiveness [15]. Hitt et al. [16] revealed that resources and capabilities (core competencies) would be able to have strategic competitiveness and contribute to value addition if resources and capabilities have criteria to form strategic core competencies or strategy capabilities. The criteria include (1) rare, (2) value (3) expensive to imitate (4) no substitute products. The fulfillment of the criteria indicates that the core competency possessed by the company is a core strategic qualification competence.

Indonesia, as a developing country located in the tropics and archipelago area, has a lot of tourism potential that has not been managed properly [17]. This situation opens opportunities for tourism development, including tourism in South Sulawesi. The visit of foreign tourists to South Sulawesi has a positive trend in the last five years. The number of foreign tourists visiting South Sulawesi Province in 2014 was 151,763 or an increase of 45,179 foreign tourists (42.39%) compared to the previous year [18].

There are several leading tourist attractions in the province of South Sulawesi including the Losari Beach, Takabonerate Marine Park, Bantimurung National Park, Malino, Tanjung Bira Beach, Ammatoa Traditional Area, Kete' Kesu, Marine Tourism on Bulupoloe Island, Balla Lompoea Museum, Kapoposang Island, Dutungeng Island, Lejja Hot Spring Natural Bath, Phinisi Boat Craft Center, Samalona Island, Somba Opu Fortress, and Rammang-

Rammang Karst Area. Among some of the tourist attractions are known to have different levels of foreign visitor because their competitive ability is still low, so it needs to be improved. In order to understand the low competitiveness, it is necessary to conduct more specific research; this can be done through in-depth interviews with several key informants who have the capability and know for certain the conditions and situation of tourist attractions. The aforementioned informants are (1) government, (2) tourism managers, (3) tourists, (4) tourism actors, (5) tour guides, (6) tourist drivers, and (7) community leaders in South Sulawesi.

Competitiveness is highly dependent on the strategies used in maximizing competitive advantage and minimizing competitive limitations [19][20][21]. Many researchers have proven the importance of strategies to gain a competitive advantage and build good competitiveness [22][23][24]. When tourism managers want to win the competition, it is required to manage a better business than its competitors. Hunger & Wheelen [19] suggest that strategies relate to the position of a business in an industry relative to its competitors. There are three generic business strategy approaches that will potentially succeed to outperform competitors, namely the overall cost advantage (overall leadership low cost), differentiation and focus. The overall cost advantage strategy relies on a capability that is unique enough to achieve and maintain a low-cost position. While differentiation strategies are designed to attract customers who have a special sensitivity to a product attribute. Focus strategy seeks to serve the needs of certain market segments [20].

According to Porter a company can be "stuck in the middle" on one of two reasons: (1) if it fails to develop one of the three directions the strategy will allow stuck in the middle, thus leading to poor competitiveness; (2) If trying to simultaneously pursue more than one generic strategy, so that it can become stuck in the middle [25]. The results of the study by Nandakumar et al. [26] show that Porter's generic competitive strategy influences company performance. Companies that adopt one of the cost-leadership strategies or differentiation will be better than integrated strategies (cost leadership and differentiation) that do not have a dominant strategic orientation. Integrated strategy groups have lower performance compared to cost leadership and differentiation in terms of performance measures.

II. RESEARCH METHODS

This research approach is descriptive quantitative research. The population in this study were leading tourist visitors in Makassar City, Gowa Regency, Bantaeng, Bulukumba, Soppeng, and Toraja Land. The sampling technique begins by using the Slovin formulation and then it is determined by simple random sampling, in order to obtain a sample of 149 people. Data collection techniques use surveys using questionnaire instruments. Data analysis method uses descriptive statistics to describe the research variables.

III. ANALYSIS RESULTS

Analysis of the description of the research variables aims to find out the description of respondents' perceptions of the statements given in the research instrument about the

variables studied. Based on the data measurement scale used is the Likert scale, where the range of the respondent's statement scale starts from a score of one to five starting from strongly disagree to strongly agree to a positive statement and vice versa one to five starting from strongly agree to disagree negative statement strongly. The analysis is done by calculating the mean (mean) based on the percentage of respondents' responses to each item of each indicator in the research variables. The mean value (mean) obtained is then calculated the index value to interpret the research variables, namely material resources, manufacturing strategy, and business performance. Interpretation of perception index values using the three-box method criteria [27], namely: 10-40% = bad / low; 41 - 70% = medium; 71 - 100% = good / high.

Competitive strategy is the method carried out by tourist managers to be able to attract visitors. In this study, the competitive strategy is based on Porter's [28] generic strategy, cost leadership strategies, differentiation strategies, and focus strategies implemented by tourism managers. Respondents were tourist visitors with a sample of 149 people. Characteristics of respondents aimed to describe the characteristics of tourist visitors who were sampled according to gender, age, level of education, and age of respondents.

Description of the characteristics of respondents shows that most of the respondents in this study were female with a total of 126 people (84.56%) compared to only 23 men (15.44%). This means that the tourism industry is more controlled and in demand by women who emphasize the role of women as an important role. The below table shows the characteristic of the respondent based on age.

TABLE I. CHARACTERISTIC OF RESPONDENT BASED ON THE AGE

Interval of Age	Number of People	Percentage (%)
21-30	21	14.09
31-40	57	38.26
41-50	55	36.91
51-60	13	8.72
>60 years old	3	2.01

Based on this age classification, respondents, in general, are still in the productive age. This means that visitors have the physical ability to work, think, and act effectively. The next table shows the description of the perception of respondents on competitive strategies.

Description of the respondent's responses / perceptions of competing strategies in table 2 can be explained as follows:

1. Cost leadership strategy is the action of tourism managers to minimize costs in tourism activities to be able to outperform competitors. The indicator is measured by 3 statement items, namely: lower operating costs compared to competitors; product prices are lower than competitors, and lower transportation costs than competitors. Statement of operating costs lower than competitors gained a higher response with a mean of 4.27 compared to the response to the statement of selling prices of products that were cheaper than competitors with a mean of 3.77. The statement of transportation costs is lower than competitors' responses with a mean of 3.64. Overall responses of respondents to the

implementation of the leadership cost strategy with a mean of 3.85. The results of this response indicate that the implementation of a cost leadership strategy can be of good value with a major emphasis on superior operating costs that are lower than competitors compared to the advantages of cheaper product prices, and lower transportation costs than competitors. This is reasonable because tourists tend to compare costs.

2. Differentiation strategy is the action of tourism managers to produce something unique or different so that they are able to outperform competitors. Indicators are measured by 3 statement items, namely: producing products that are more qualified than competitors; resulting in better product development than competitors; provide more specialized services to tourists than competitors. The statement resulted in better product development than competitors gained the highest response with a mean of 4.60 compared to responses to statements producing higher quality products than competitors with a mean of 4.51 and statements providing more specialized services to tourists compared to competitors with a mean of 4.26. Overall respondent's response to the application of differentiation strategies with a mean of 4.46. These results indicate that the application of differentiation strategies in tourist attractions can be considered very good with the main emphasis on product development that is better than competitors. Product development that

is different from competitors from the form and facilities is the main benchmark for differences in tourism products. In addition, the quality of special products and services is also a tourist differentiation strategy.

3. The focus strategy is the action of tourism managers to focus on services on certain segments / markets. The indicator is measured by 3 statement items, namely: centralizing services to certain tourists; produce products that suit the needs of certain tourists, and determine the selling price according to the ability of certain tourists. The statement centering services on certain tourists obtains the highest response with a mean of 3.56 compared to responses to statements determining the selling price according to the ability of certain tourists with a mean of 3.34 and a statement producing a product that suits the needs of certain tourists with a mean of 3.33. Overall respondent's response to the focus strategy with a mean of 3.41. The results of this response indicate that the application of a focus strategy for tourists is judged to be lacking with a major emphasis on service to certain tourists. The application of a focus strategy with consideration of the sale price suitability of certain tourists and the suitability of the product to the needs of certain tourists is still considered although not the main one.

TABLE II. DESCRIPTION OF PERCEPTIONS OF RESPONDENTS ON COMPETITIVE STRATEGIES

Indicator/Item		Answer Frequency (F) & Percentage (%)										(Mean)	Index (%)
		STS (1)		TS (2)		TS (3)		S (4)		SS (5)			
		f	%	f	%	f	%	F	%	F	%		
1.1	Operating Cost	0	0	0	0	29	20	51	34	69	46	4.21	85.20
1.2	Product Price	0	0	21	14	49	33	22	15	57	38	3.46	75.40
1.3	Transportation Cost	0	0	24	16	63	42	5	4	57	38	3.44	72.80
Low Cost Strategy												3.70	76.90
2.1	Product Quality	0	0	0	0	2	1	69	46	78	53	4.43	90.40
2.2	Product Development	0	0	0	0	1	1	57	38	91	61	4.59	92.00
2.3	Special Service	0	0	6	4	28	19	36	24	79	53	4.17	85.20
Differentiation Strategy												4.40	89.20
3.1	Certain Segment Services	0	0	20	13	71	48	13	9	45	30	3.56	71.20
3.2	Product Suitability	0	0	46	31	53	36	5	3	45	30	3.18	66.40
3.3	Suitability of Selling Prices	0	0	41	28	61	41	2	1	45	30	3.19	66.60
Focus Strategy												3.31	68.07
Competitive Strategy Variable Perception Average Index													78.06
Interpretation of Index Value: 10 - 40% = Low; 41 - 70% = Medium; 71 - 100% = High													

Overall, the results of the analysis show that the application of competing for strategies in tourism activities is good enough based on the average perception index value of 78.06 percent. Specifically, the application of competitive strategies places more emphasis on differentiation strategies than cost leadership strategies and focus strategies. The results of this analysis confirm that tourists use differentiation strategies as the main choice compared to cost leadership strategies and focus strategies on competing in determining tourism choices. The fact is that the average consumer chooses to determine a tourist spot because of differences in product quality, special facilities, and services that are indicators of tourism differentiation strategies.

The essence of competitive strategy can be described as a process of how companies build and develop a variety of strategic resources that have the potential to produce competitive advantage, namely excellence where it can

double, on the one hand as an instrument to produce performance and on the other hand as an instrument to neutralize assets and competing competencies possessed by competitors. Core competencies that are controlled and controlled by the company make it possible to formulate and implement strategies that are able to improve the efficiency and effectiveness of the company [23].

Core competency will be a driver (driver) of implementing a better competitive strategy if the mastery is getting better. This means that mastery of core competencies provides a significant positive change in the application of competitive strategies. It is interesting to note that respondents' perceptions of competing for tourism management strategies are more focused on the choice of differentiation strategies than low cost and focus strategies. The results of this study indicate that tourism choices are more driven by product quality factors, special facilities, and

services provided. Consistent with these findings, according to Hariadi [29] that there is a very close relationship between strategic resources and competitive advantage and the strategies implemented, whether emphasizing low-cost strategies, differentiation strategies, or a strategy of focusing on improving performance. But because the resources owned are insufficient and access to resources is low, then (for small companies) the choice of strategies is limited [22][30].

Basically, the findings of this study corroborate the RBV theory that heterogeneity of resources and the typical capabilities of a company can encourage companies to gain competitive advantage through the implementation of competing strategies [31][21]. Mastery of strategic resources has an effect on the implementation of competitive strategies to the maximum, thus affecting competitiveness. Weakness in mastering strategic resources is a deficiency that creates limitations compared to competitors, so they cannot achieve what is expected. According to Hariadi [29], there are weaknesses and weaknesses in hidden strengths. How many parties claim to be strong, but helpless when faced with weak shocks; on the contrary, there are parties who are considered weak but can show their strength when facing even stronger shocks.

Mastery of strategic resources that are more emphasized on reputation resources provides a significant and positive influence on competing for strategies with the suppression of differentiation strategies through an operating strategy with emphasis on quality strategies providing an interesting pattern to study. Aaker in Simkin [32] states that real reputation resources can be very strategic assets and competencies to produce competitive advantage. Reputable resources can be in the form of economic resources and social resources that must be created or acquired and maintained and developed so that in time he can act as a "strategic weapons" suitable for maneuvering market competition faced by the company. Referring to this opinion, reputation resources have a large influence on the application of differentiation strategies through the implementation of quality strategies. Reputable resources trigger the presentation of quality products that provide differences in product development and facilities produced by competitors. So that competitiveness will depend on product differences, product development and facilities offered.

IV. CONCLUSION

Based on the results of the analysis, it can be concluded that the competitive strategy required by the management of tourist attractions to have competitiveness is a differentiation strategy. Tourist visitors choose differentiation strategies compared to cost leadership strategies and focus strategies in determining tourist sites. The results of this analysis reinforce that tourist visitors use differentiation strategies as the main competitive weapon compared to cost leadership strategies and focus strategies on determining tourist attractions. The fact is that the average tourist chooses a tourist spot because of the uniqueness of the place both in terms of quality, service development and facilities offered.

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