



Strategy Formulation of Tourism Businesses in the Era of Industrial Revolution 4.0



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Abstract

Tourism 4.0 currently a tourism development trend in some countries in the world. 4.0 is intended for millennial tourists with multiple growth targets. The digital era has caused many changes in social societies in various important sectors of the world. One of them has an impact on the tourism sector with the digital transformation being the cause of tourism 4.0. This study aims to determine the right tourism business strategy to increase the number of foreign tourists visiting Badung regency during the industrial revolution 4.0. This study will use a qualitative approach with descriptive analysis methods and data collection techniques with interview techniques which are then analyzed using SWOT analysis, internal and external weighting then determine TOWS Matrix and IE Matrix. The results showed that tourism in Badung Regency was in quadrant I of the TOWS matrix and quadrant V in the IE matrix. The right strategy is market penetration and product development. The Badung Regency Government must further optimize the use of technology in the 4.0 industrial revolution era for promotional activities such as the use of social media, online advertising, websites, and car applications, improve digital branding and work together with influencers.

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1 Introduction

The digital era is one of the causes of many shifts in the social situation of people in various important sectors of the world. One of them is the tourism sector, in the tourism sector has an impact on the emergence of digital transformation which is the cause of the birth of tourism 4.0 trends. Digital transformation is what changes the whole cycle of the tourism ecosystem, including being the cause of the shifting of cyber and visual culture to foreign tourists.

However, the rapid development of technology in the tourism sector is not accompanied by the ability of human resources involved in it, so that there are still many obstacles that face. Tourism 4.0 is currently the trend of developing tourism in some countries in the world.

Bali is the main attraction of Indonesian tourism and one of the national and international tourist destinations that have made an economic contribution to the country's foreign exchange. Bali distributes 40% of the national tourism foreign exchange of 7.6 billion US dollars, which is equivalent to around Rp100 trillion. The number of Foreign Tourists coming directly to Bali from January - August 2019 decreased by 0.29% compared to foreign tourists who came to January-August 2018, the data was obtained from a survey conducted by the Central Statistics Agency (BPS) of Bali Province.

Badung Regency is one of the 9 regencies and cities in the Province of Bali which is the main gateway for tourists visiting Bali. Tourism in Badung Regency is internationally famous for its agriculture, fisheries, and maritime affairs, which synergize with culture-based tourism, which is why the Badung regency is one of the tourism destinations in the province of Bali that is most in demand by tourists and investors. In 2019 based on data obtained from the Tourism Office (Dispar) of Badung Regency the level of tourist arrivals to Badung regency has decreased compared to the previous years by 4.83%, so to increase tourist visits to Badung Regency, a new and relevant strategy is needed. Therefore, the authors conducted a study to find out the right tourism strategy in increasing the number of foreign tourists visiting Badung regency during the industrial revolution era 4.0.

Literature Review

Strategy Management

Strategy management is an art and science used by managerial parties to make a decision, ranging from formulating, implementing, and evaluating to achieve the goals set by the company or organization (David, 2011). Setting organizational goals, developing policies, and planning by allocating resources to achieve organizational goals are the main focus of strategic management.

As for the benefits of strategic management, financially, the company's long-term and short-term financial performance will be better because it has considered the consequences that will occur in the future, and non-financially the company or organization has an awareness and increased understanding of external threats such as competing strategies.

Strategy

Business strategy is an important thing for the survival of the company to achieve the company's vision and mission, so the company can face any problems or obstacles that come from both the external or internal environment of the company, it requires top management decisions and company resources. The business strategy includes geographic expansion, diversification, acquisition, product development, market penetration, tightening, divestment, liquidation, and joint ventures (David, 2011). According to Pearce II & Robinson (2008), the strategy is a large-scale action to carry out the planning process with a future orientation to achieve the goals that have been jointly determined based on joint decisions based on competition conditions and customer needs.

Rangkuti (2013), argues that the strategy is a comprehensive plan that contains how the ways the company to achieve the mission that has been determined previously. From the definitions above, it can be concluded that the strategy is a large-scale company planning and oriented far ahead carried out to gain competitive advantage by taking into account the internal and external environmental factors of the company in the hope that the predetermined corporate goals can be achieved.

Tourism 4.0 or Digital Tourism

Changes in the tourism industry in response to changes in the digital era in a variety of fast ways. The Ministry of Tourism recommends priority programs to realize 20 million foreign tourists in 2019, namely Digital Tourism, Homestay, or Air Accessibility Village (Naragi & Pengestusi, 2019). *Tourism 4.0* is the name for the current tourist trends from processing big data collected from a large number of tourists, to create a personalized travel experience of various high-tech modern computer technologies that we know of industry 4.0

Ministry of Tourism (Kemenpar) said the target market to be addressed in the development of tourism 4.0 is millennial tourists with hopes of multiple growths. Changes in tourist behavior that tend to be more independent and individual then build a digital ecosystem ranging from inspiration, arrival, destination, to the all-digital post-trip reflecting the era of tourism 4.0

The implementation of global tourism in the next few years is predicted to be influenced by at least 10 (ten) trends, called Tourism Megatrends. 10 (ten) tourism trends are the result of a study conducted by Howarth HTL (Hotel, Tourism, and Leisure). Broadly speaking, Tourism Megatrends can be seen from 2 (two) sides, namely the demand side and the supply side.

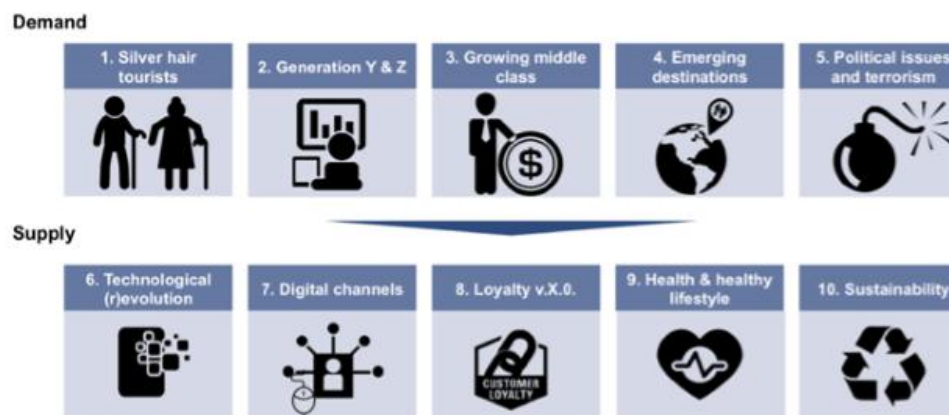


Figure 2.1 Ten Future Tourism Trends
Source: Howarth HTL (Hotel, Tourism, Leisure) (2015)

2 Materials and Methods

In this study the process of determining the strategy that will be set to increase the number of tourist arrivals in Badung Regency using qualitative analysis. Activities in this study are characterized by data collection activities, describing and interpreting data about the situation experienced at the study site (Cresswell, 2014).

The reasons for choosing the research location in Badung Regency are as follows: Badung Regency is one of the regencies in Bali that is most desirable as a tourist destination by domestic and foreign tourists so that it is most sought after by investors. Badung is the biggest Hotel and Restaurant Tax producer in Bali compared to other districts, where the contribution of local taxes plays a very significant role, amounting to 85% of the total Local Own Revenue owned by Bali. Based on data from the Badung Regency Tourism Office the total number of tourist visits to Badung regency in 2019 decreased by 4.83% compared to 2018. Data collection is done by conducting interviews directly with informants to obtain qualitative data that is relevant to research. The conduct of interviews is not structured and is freer than structured interviews (Sugiyono, 2013).

The stages in data analysis in this study include 4 stages, namely by collecting, processing, and presenting the data obtained so that it can provide complete and correct information so that other parties easily understand the object of the data. The steps of data analysis in this study are as follows:

- 1) Data Collection Stage (Evaluation of external and internal factors)
- 2) SWOT Analysis Phase
- 3) IFAS and EFAS Strategy Matrix

4) IE Matrix

Testing the validity of the data in this study uses the method of triangulation, which is the method of checking the validity of data that utilizes something else in comparing the results of interviews with research objects. Triangulation used in this study includes triangulation of sources

3 Results and Discussions

Based on the results of interviews conducted from 4 proposed alternative activities, an analysis was conducted with a QSPM (Quantitative Strategic Planning Matrix) matrix to determine the priority scale. QSPM matrix analysis is done by giving weight and positioning power determinant scores. These factors are grouped based on their nature, namely internal factors including strengths and weaknesses, then external factors consist of opportunities and threats

1) Strength

Strength is something that comes from internal factors that become the advantages possessed by the company. The strength factor is owned by tourism in Badung Regency as follows:

- a) The diverse natural beauty and having various types of tours
- b) Having a complete tourism infrastructure such as five-star hotels, villas, hostels, guest houses, restaurants, shopping places, and Instagram able entertainment places.
- c) Access to get everything a tourist need is very easy to obtain
- d) Competent resources are quite competent, especially those already working in hotels
- e) Training such as understanding sapta enchantment, English, and rescue are held routinely
- f) Participating in exhibitions outside the region and abroad, Carry out tabletop activities with the tourism industry and marketing activities carried out the development of a website-based integrated tourism promotion portal
- g) Has 39 Travel Attractions Each DTW has a diverse local culture and customs

2) Weakness

Weakness is there are deficiencies in the internal conditions of the organization, consequently, organizational activities have not been carried out maximally. Weakness in Badung tourism such as:

- a) Irregular spatial management
- b) Very bad traffic to the tourist area and Lack of attention to garbage and drainage so that every rainy season is the cause of flooding
- c) Readiness Community around tourism destinations is not optimal and public awareness around the tourism area is still very lacking to attend training.
- d) English language skills by society Attraction About a still low
- e) The budget for developing tourist attraction is still limited
- f) The information on the website is not updated, lack of use of social media in tourism promotion the content created to promote is less creative
- g) The development of Tourism Villages has not been maximized and the level of cleanliness at a tourist attraction is still lacking
- h) From the 39 tourist attractions in Badung, only 6 s have produced cooperation with the government, and 3 have cooperated with private parties.

3) Opportunity

Opportunity is positive external environmental factors, which can and can direct organizational activities towards it. The opportunity that Badung Tourism have is:

- a) The development of technology makes it easy to carry out marketing activities
- b) Excellence in the digital sector will be the leading provider of tourism
- c) North Badung Development with Silver Hair Tourism
- d) Become an attraction for investors to invest capital
- e) Health and Healthy Lifestyle

4) Threats

Threats are external environmental factors that can inhibit the movement of the organization. The threat to tourism in Badung Regency is:

- a) Government policy to develop 10 New Bali
- b) Political conditions
- c) High criminality
- d) The development of technology is not utilized properly
- e) Natural disasters
- f) The global economy is experiencing a recession
- g) Coronavirus pandemic

Then an alternative strategy is determined based on SWOT analysis, by weighting values in the IFAS and EFAS matrices (Houben *et al.*, 1999; Jackson *et al.*, 2003; Terrados *et al.*, 2007). The value in the matrix IFAS and EFAS, that strength is greater than weaknesses and opportunities are greater than threats then the company is in quadrant I with an aggressive strategy that is consistent with the SO strategy on the SWOT matrix. The SO strategies that are feasible are as follows:

- 1) Utilization of social media by providing creative and up to date content so that it can attract tourists to visit.
- 2) Collaborate with influencers or influential figures to carry out tourism promotion activities.
- 3) Developing health tourism which has natural and holistic characteristics by utilizing local cultural wisdom.

From the calculation results of the IFE and EFE tables obtained an IFE value of 2.91 and a score for the EFE results of 2.85. When converted into the IE Matrix Diagram, tourism in Badung Regency is in quadrant V. According to David (2011), the best strategy for managing a company that is in quadrant V by using the strategy of hold and maintaining. The right strategy used in tourism in Badung Regency is market penetration and product development. The Badung Regency Government has been carrying out promotional activities intensively both promotions conducted domestically and abroad. One of the keys to success to increase tourist visits to Badung is to do branding that aims to increase brand awareness of tourism in Badung Regency. Tourism in Badung regency already has a tagline listed in its logo, "The Soul of Bali". With the branding will make the identity of tourism in Badung Regency and will affect the increasing number of tourist visits to Badung,

The application of E-Tourism is very influential to attract tourists by utilizing digital marketing in the era of the industrial revolution 4.0 by providing tourism services to customers who utilize the sophistication of information technology will facilitate tourism organizers to carry out marketing activities. Website, social media, online advertising, discussion forums, and mobile applications are forms of digital marketing that can apply e-tourism (Novianti, 2018; Barrett, 1997; Goldsmith, 1991; Arcana *et al.*, 2016).

One strategy in doing digital marketing is by using hashtags or hashtags #, using hashtags in every post is very important. The main function of a hashtag is to group certain themes or topics. According to Kasali (2019), the hashtag (#) is a symbol that is widely used in social media to facilitate searching that results in a wide message. Hash appears intending to create something hype. So if a post has a unique tag, or gives a picture of a photo, then your post will be easier for readers to include related tags, make it easier to find customers, make it easier to find locations, expand the distribution of content to describe the post. In the hyperconnected era, no extraordinary greatness was needed enough to mobilize. SHARE is an Online Mobilization Mix that makes ideas and opinions become influential and viral mass movements. SHARE stands for Story, Hype, Actionable, Relevant, and Emotional (Kasali, 2019).

One of the factors that underlie the success of marketing through social media is to use influencer marketing by definition influencer marketing is a method of appointing people or figures that are considered to influence the community or target segment of consumers to be targeted and felt to be the target of promotion of the brand. Influencer Marketing is seen as one of the best strategies to bring prospective tourists when marketing using social media by utilizing the mass owned by an influencer, an influencer can create a product brand image (Hariyanti & Wirapraja, 2018).

4 Conclusion

Based on the research objective to find out the right tourism business strategy to increase the number of tourist visits to Badung regency during the industrial revolution 4.0. Based on internal and external potentials owned, the conclusion of this research is:

Internal tourism factors in Badung Regency which are weaknesses that must be anticipated include spatial management, human resources, digital marketing, and maximizing the development of DTW. While the internal environment that becomes a strength includes a complete tourism infrastructure, diverse natural beauty, and has 39 tourist destination areas.

External factors that affect tourism in Badung Regency which pose a threat include government policy will create 10 new Bali, crime, natural disasters, politics, and global situations such as a global economy that is in a recession and the Covid-19 virus pandemic. While the new trend regarding health and healthy lifestyle is an opportunity for tourism in Badung Regency which will open a new tourism market share in the field of health tourism, North Badung Development with Silver Hair Tourism, become an attraction for investors to invest capital, The development of technology makes it easy to carry out marketing activities.

Based on the matching process that has been done with the SWOT matrix and IE matrix by analyzing the internal and external factors of Tourism in Badung Regency, it is obtained that the strategy that needs to be applied to tourism in Badung Regency is held and maintained with the strategies that need to be developed are market penetration and product development.

In the era of digital branding is an effective marketing strategy because it has many advantages and is easier to do by utilizing social media able to reach consumers from all walks of life Digital branding is the right choice to reach more targets or the public in disseminating information and announcements that are considered more efficient. The government and the community have no more difficult to find access or the data they want to obtain. The branding will make the identity of tourism in Badung Regency and will affect the increasing number of tourist visits to Badung.

The era of the industrial revolution 4.0 the use of technology to promote tourism such as the use of social media, online advertising, websites, and mobile application development is one of the most important strategies implemented to increase tourist visits. With an integrated system and updated in real-time both in the form of content, images, animation, or video or sound will make it easier to promote tourism digitally. One side will pamper customers or tourists to find the desired places.

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Tourism Potential in Badung Regency develops a very large health tourism business strategy. With the natural beauty of the mountains and the cool air in the North Badung region, it has the potential to develop health tourism based on local cultural wisdom.

In increasing the number of tourist visits to Badung regency, it takes the synergy and commitment of all human resources both the government, tourism industry players, and the local community to develop the existing tourism potential by prioritizing the culture and local wisdom that has been owned. An understanding of the vision and mission of Badung Regency tourism must be instilled in every Badung tourism stakeholders in the development process starting from the planning stage, already having to consider these aspects.

Conflict of interest statement

The author declared that she has no competing interests.

Statement of authorship

The author has a responsibility for the conception and design of the study. The author has approved the final article.

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