

An Empirical Study on the Business Continuity Management of Tourist Village and SMEs: A Case of Petak Gianyar Village Bali, Indonesia

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ABSTRACT

This research aims to develop the right marketing strategy to develop Small and Medium Enterprises (SMEs) in Petak village, and to determine the synergy model of SMEs and tourist villages in improving the welfare of the community in Petak Gianyar Bali village. To find the strengths, weaknesses, opportunities and threats they face SMEs's profile needs to be identified and analyzed. This study uses primary and secondary data. Primary data is obtained from field surveys, while secondary data is obtained from various publication sources. The analytical method used is a descriptive approach. In relation to the various strategies to solve SME's problems. Stakeholders also play important roles on development of SMEs. Support is expected to come from business associations, universities, and related agencies in Gianyar Regency. Government policies are also needed to encourage the development of SMEs. The development of SMEs is expected to be able to support tourism, especially in plot villages which are tourism villages. With the synergy between MSMEs and tourist villages, it is able to improve the welfare of the community. The strategies that need be developed are aggressive strategies and diversification strategies and defensive strategies.

Keywords: *SMEs, tourism village, stakeholders, development strategies.*

I. INTRODUCTION

Small and Medium Enterprises (SMEs) have a strategic role in national economic development. However, in order to play a role in employment and economic growth it also plays important role in the distribution of development. As result of economic crisis that has occurred in Indonesia in the 1998 and 2008, where many large-scale businesses have stagnated and even stopped their operation. The small and medium enterprise (SME) sector has proven to be more resilient in dealing with the crisis. According to Firmanzah (2003), stated that the role and contribution of SMEs in the structure of the national economy is not only one of the national priorities but also the hope for the ongoing development acceleration agenda. In addition, SMEs have been one of the pillars that maintain national economic growth, especially when there are shocks or external pressures.

Creative industry products always appear with their own characteristics and uniqueness so as to create the image of a city and attract tourists, through the role of the creative industry, a tourism can be developed that is able to

provide experiences and learning for tourists. Referring to data from the Indonesian Ministry of Tourism and Creative Economy (2011), digital literacy, delivery requests, and the need for medical/cleaning equipment. Gianyar Regency, is known as the repository of art in Bali, Gianyar villages have their own artistic image. Petak Village is one of the villages in Gianyar district which has potential in of Balinese culinary/snacks, carvings, and tourism villages in the form of Spiritual Tourism, agro-tourism, Tracking activities. Residential land covering an area of 29,275 ha, according to the social system, can be grouped into 6 (six) Banjar Dinas areas. However, the management of SMEs has not been managed optimally, as result lack of competitiveness on SME products and have not synergized with tourist villages.

According to this conditions, increasing competitiveness in the future will be deemed need to have an SME innovation model based on a performance appraisal system that is in accordance with the nature and characteristics of SMEs in supporting tourism in Petak Village. Referring to the above discussion, research question are as follows: What is the role of SMEs in supporting tourism in Petak Gianyar Village, Bali?; What are the alternative strategies that can be applied for the development of SMEs in the Province of Bali, especially Petak Villages in order to be able to increase competitiveness in the future?, and How is the synergy model of MSMEs and tourist villages in improving the Community Economy?. This research has never been done before and has urgency in terms of providing input to the Petak village officials in formulating a strategy for developing SMEs based on the competitive advantages of each SME. Where the development strategy has an important role in determining the coaching program for SMEs in improving performance, so that in the end SMEs are able to contribute to improving the welfare of the Petak village community and synergize with tourist villages so that SMEs support tourism and improve the welfare of the local community.

II. LITERATURE REVIEW

Various research on Small and Medium Enterprises (SMEs) have been carried out, including those related to the SME development strategy. According to Hamid and Susilo (2011), the development of SMEs is not only by SMEs, but also must be supported by all stakeholders. As well as support from business associations, universities and related agencies in districts/cities in Bali. Tarigan and Susilo (2008) conducted a study of the problems and performance of SMEs that silver entrepreneurs/craftsmen faced problems related to disruption of the production process causing a reduction in the amount of production which had implications for the ability to serve demand, and a decrease in demand reduces income and has implications for the ability to meet financial obligations. Susilo (2010) stated that in order for SMEs to be able to survive and take opportunities, SMEs must improve their products business competitiveness. Entrepreneurs / small business owners in their spirit of entrepreneurship and innovation, should be the push factors to improve their business competitiveness. In addition, relationship between small business unit and small business centres is crucial to improve cooperation networks with stakeholders.

The Central Bureau of Statistics defines Micro Enterprises as businesses that have a workforce of more than 4 people. Meanwhile, referred to in Law No. 9 of 1995 small business is a productive business that is small in scale and meets the criteria for a net worth of at most Rp. 200,000,000.00 (two hundred million rupiah), excluding land and buildings for business premises or having sales proceeds of a maximum of Rp. 1,000,000,000.00 (one billion rupiah) per year and can receive credit from a bank for a maximum of Rp. 50,000,000. - (fifty million rupiahs) up to Rp. 500,000,000, - (five hundred million rupiah). The World Bank defines Small Enterprises, with the following criteria: The number of employees is less than 30 people, Annual income does not exceed \$ 3 million, Total assets do not exceed \$3 million.

According to Law Number 20 of 2008, small 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 the business. Small or large businesses that have a net worth of more than Rp. 500,000,000.00 (five hundred million wages) up to a maximum of Rp. 10,000,000,000.00 (ten billion rupiahs), excluding land and buildings for business premises; or have annual sales of more than Rp.2,500,000,000.00 (two billion five hundred million rupiah) up to a maximum of Rp.50,000,000,000.00 (fifty billion rupiah). A tourism village is a village administrative area that has the potential for unique tourist attractions, namely experiencing the uniqueness and traditions of the people in the countryside with all their potential (Aryani, et al., 2019; simanungkalit, et al., 2018). According to the principle of developing a tourism village must pay attention to:

1. Originality, where the main attractions are daily activities of the community
2. Local culture and tradition
3. Community who actively involves in tourism village activities
4. Preserve the local values and daily norms of the community
5. Protect the environment and social community

Kraus et al. (2009) proposed a new definition of entrepreneurial marketing: "Entrepreneurial marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in a way that benefits the organization and its stakeholders, and which is characterized by innovative, proactive risk, and may be done without the current resources being controlled". Entrepreneurial Marketing (EM) is an interactive marketing method, which works closely with consumers and uses word of mouth communication to find new customers. The entrepreneurial spirit makes someone easy to form into a formidable marketer, very sensitive to environmental developments and seized to market opportunity to create products that will be offered in the market. The above definitions are still general in the practical application itself (Morrish and Deacon, 2009; Kurgun et al., 2011). In addition, EM is often interpreted as a marketing activity in a small company and is very concerned about limited resources so that the company must be more creative.

Broadly, Kotler (2010) argues that in order for today's marketing to work effectively, the marketing discipline requires different strategies at each level and in different circumstances. This opinion implies that innovative and proactive efforts are needed and dare to take risks in an ever-changing and uncertain business situation. Thus, EM is defined as the proactive identification and use of opportunities to gain and retain customers profitably through innovative approaches to risk management, resource use, and value creation. EM describes the availability of market opportunities, where marketers proactively seek new and unique ways to create value for customers so as to create profitable and long-term relationships. Marketers are no longer depending on the current resources. Likewise, product and market-related innovations reflect the main responsibility of marketing and can further create sustainable competitive advantages (Morris et al., 2002).

III. RESEARCH METHODOLOGY

The location of this research is in Petak village, Gianyar Bali, which has a creative industry in the form of handicrafts, culinary, carving. Meanwhile, the tourism village has agro-tourism, spiritual tourism, tracking and natural scenery and very large area. The method of collecting data is by conducting observations, first in the Gianyar sub-district, then conducting in-depth interviews with selected sources, documentation, and literature study is carried out by collecting data by reading, understanding, discussing the contents of the book, and the results of previous related reports. The types and sources of data in this research can be explained in the following description, started with the type of data and then continue with the data sources.

Types of data used is qualitative data where this research is obtained from the results of place observations first which then the author makes a description in the general description after which interviews are carried out regarding the role of handicrafts and painting as creative industries in supporting tourism. Furthermore, regarding the factors that influence the development of handicrafts, the last is to do documentation which is the author's reference in this study. The data source is the place where the author obtains the data. There are two kinds of data sources in this research, namely: i) Primary data sources are people, who referred to as informants and secondary data sources taken from several literatures, documents, or records that are related to the problem being studied. Primary data is data obtained directly by researchers from all related parties carried out by in-depth interviews with informants using a questionnaire tool. ii) secondary data is data obtained indirectly. Primary data is in the form of relevant information from predetermined informants, while secondary data is in the form of written data obtained from literature related to research problems. The literature in question is scientific literature that has been published in the form of books, scientific journals, theses, and dissertations. The scope of data that will be searched for in this role are:

1. The internal analysis in this study is about the strengths and weaknesses of SMEs in Petak village.
2. External Analysis including opportunities and threats that will be faced by these SMEs in the future.

3. Establish a marketing strategy based on Entrepreneurial Marketing so as to increase the competitiveness of MSMEs.

By using purposive sampling, the researcher as a research instrument determines informants who can provide information related to the problem to be studied, as was done by Kusmayadi and Sugiarto (2000). In this study, the most important thing is not how many informants are obtained but how much the quality and contribution of the data obtained from the informants. In a sense, the informant being sought is the informant who controls the information to be sought regarding the raised issues. As per the above discussion, the informants in this study were the managers of handicrafts, culinary, carving. The determination of the informants was based on the researcher's consideration that these people have information and know the problems related to SMEs in supporting tourism in the village of Petak, Gianyar, Bali.

The data analysis technique used in this study is descriptive qualitative analysis, namely a description of the data that is arranged in a systematic, actual, and accurate manner regarding the facts. This analysis also uses a SWOT approach to assess the potential of the Petak tourism village area as a tourist attraction, namely:

1. Strengths in this research are things that are advantages that a company has, such as creative and innovative human resources, the uniqueness of the products produced and strategic environmental locations.
2. The weakness in this research is the things that are obstacles in the development of the craft industry such as the lack of promotion using the internet and traditional media.
3. Opportunities in this study are conditions that bring benefits such as being able to add to the market in the regional economy.
4. The threat faced by gallery companies is the increasing price of production materials due to their decreasing availability from year to year.

The profile of SMEs also needs to be identified and analyzed, through field surveys. By knowing the profile of SMEs in Petak village, it will be known the problems that will be faced by the SMEs. The profile of SMEs includes types. These various problems can be classified into two aspects, namely internal aspects faced by SMEs, and external aspects originating from outside SMEs. Internal and external environment will be analyzed through SWOT Analysis, so that a strategy will be formulated based on the SWOT Matrix. According to Astuti & Anggraini (2015), Hutabarat (2015); Fitriana (2014); Darwanto (2013); Hamid & Susilo (2011) Satria (2011) It can be seen that the creative industry can develop and be competitive if it can take advantage of the development of information technology optimally. While the results of research that done by Jerusalem, (2009) can be concluded that creative industry products can compete with similar products, they must have high innovation and creativity. SMEs can grow and develop with the presence of tourist villages, including culinary, performing arts, crafts and other creative industries. Referring to (Risman, Wibhawa, & Fedryasyah, 2016, page. 36); (Mellita & Erlansyah, 2014); (Azizah & Muhfiatun, 2017); and (Nandini, 2016) can be concluded that the presence of a tourism village can have a positive

impact on the growth and development of the creative industry and improve the welfare of the surrounding community (Figure 1).

The analysis in this study was carried out with a descriptive approach. Descriptive analysis provides an overview of consistent patterns in the data, so that the results can be studied and interpreted briefly and meaningfully (Kuncoro, 2009). In descriptive analysis, the interpretation of the data and relationships in the research is carried out. In addition, a comparison is made between the results of the research and the results of related research and a correlation is made between the results of these studies and the relevant theory or concept (Singarimbun and Effendi, 1989). Furthermore, descriptive analysis can also be carried out using relatively simple statistical techniques, such as using tables, graphs, and measures of central tendency, namely the average value, median value, and mode (Kountur, 2003).



Figure 1. Mapping on the SWOT Figure

IV. FINDINGS & DISCUSSIONS

Based on the SWOT analysis of the Petak village (Figure 2), the development strategy that is in accordance with the Petak conditions is an aggressive strategy in the form of integrating SMEs and tourism village potential, community involvement in developing SMEM and tourism villages, digitilizing SMEs. Petak Village also needs to diversify its strategy by developing the uniqueness of MSME products to be more innovative and maintain the quality of their products based on local wisdom. All accommodation facilities have CHSE. As for the defensive strategy, it is necessary to collaborate with neighboring villages, the application of foster fathers aimed at developing

MSMEs, as well as partnerships with investors. In addition, the Petak village also needs to provide education to the community in the development of MSMEs and tourist villages so that they can improve the welfare of the Petak village community (Figure 2).

Tourism village is a village administrative area that has the potential and uniqueness of a distinctive tourist attraction, namely to experience the uniqueness and traditions of rural communities with all their potential, (Aryani, et.al. 2019; Simanungkalit., 2018). Based on the results of this research, it can be seen that the implementation of inclusive business with synergy and collaboration of tourist villages with SMEs is to be able to improve the welfare of the community. Efforts to optimize existing tourism resources are very helpful in achieving maximum results and focusing on the welfare of the Petak village community. From the point of view of job creation, this model directly re-opens employment. This synergy model is not high risk and guarantees sustainability because it is implemented by the community and benefits the community.

SWOT	STRENGTH		WEAKNESS	
	<ol style="list-style-type: none"> 1. Varieties of SMEs products 2. The uniqueness of the engraving product 3. The existence of Petirtan Centre of temple in Merta mount is getting to known as tourist attraction 4. Potential of Agro-tourism, religion-tourism, and nature tourism 5. Access to enter village 6. Spirit of the human resources 		<ol style="list-style-type: none"> 1. SMEs governance 2. SMEs Competitiveness 3. Raw Materials 4. Temporary production 5. Production Standard 6. Capital 7. Technology skill 8. Interest of human resources 	
	OPPORTUNITY	AGRESIVE STRATEGIES	TURNAROUND STRATEGIES	
	<ol style="list-style-type: none"> 1. International market 2. International tourist market 3. Domestic tourist market 4. Trend of allocentric tourist in hidden place 	<ol style="list-style-type: none"> 1. Integration of SMEs and tourism potential 2. Allocation of human resources 3. Community involvement 4. Digital Marketing 	<ol style="list-style-type: none"> 1. Community education 	
	THREATS	DIVERSIFICATION STRATEGIES	DEFENSIVE STRATEGIES	
	<ol style="list-style-type: none"> 1. Covid-19 Pandemic 2. Competitor 	<ol style="list-style-type: none"> 1. CHSE 2. Develop product uniqueness 	<ol style="list-style-type: none"> 1. Collaboration with neighbouring villages 2. Coaching Program (Bapak Asuh) 	

Figure 2. SWOT Analysis

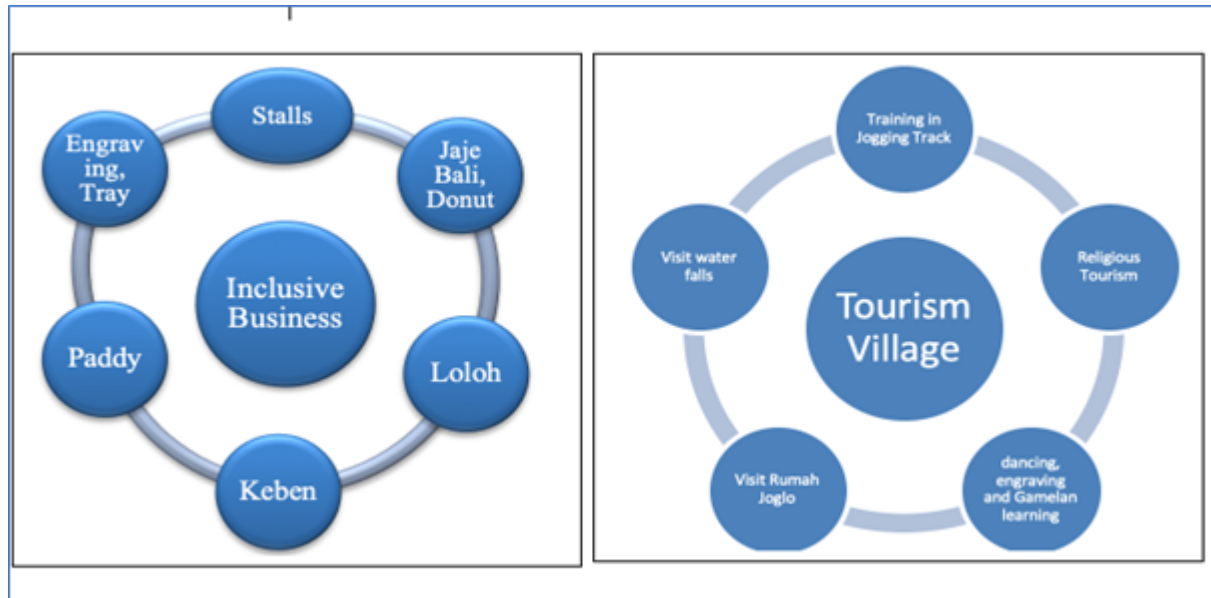


Figure 3. Synchronisation Model

v. CONCLUSIONS & RECOMMENDATIONS

As result of the SMEs synergy model and tourism villages in Petak village (Figure 2), it can be concluded several things as follows: During the Covid 19 pandemic, it is difficult to motivate SMEs to bounce back, but when synergized with tourist villages by optimizing the potential of local village communities, efforts for SMEs to bounce back are easy to implement. Petak Village also needs to carry out aggressive strategies, diversify strategies by developing the uniqueness of SME products to be more innovative and maintain the quality of their products based on local wisdom, as well as carry out defensive strategies by collaborating with neighbouring villages, implementing coaching (Bapak Asuh) aimed at developing SMEs, and partnership with investors. Petak Village also needs to provide education to the community in developing SMEs and tourist villages so that they can improve the welfare of the Petak village community. The synergy of MSMEs and tourist villages with the aim of optimizing SMEs so that they are able to provide good economic benefits for the community, preserve the environment, reduce risk and be sustainable.

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