

Competitiveness of Tourism Industry Resources of Manado City

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Abstract: Increasing competition in the tourism sector both globally and regionally, resulting in greater efforts by the tourism industries to increase their resources. This study aims to examine and analyze the competitiveness of Manado's tourism industry resources. To answer the purpose, the Importance-Performance Analysis (IPA) is being applied to 90 tourists visiting in Manado, taken by accidental sampling. Results show that all underlying factors of Service, Facilities, Destinations and Security are identified separately in four quadrants of IPA. The Keep up the Good Work quadrant identified an underlying factor of Personality. The underlying factors of Attractions, Cleanliness, Hotels, Number of Places, Transportation and Technology are identified in Concentrate Here quadrant. Low Priority quadrant identifies underlying factors of Communication, Responsive, and Speech. Finally, the underlying factors of Friendliness and Hospitality are captured in Possible Overkill quadrant. It is suggested that Manado's tourism industry should create popular policy by increasing tourism resources performance.

Keywords: Competitiveness, Service, Facilities and Infrastructure, Destination, Security.

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I. Introduction

Recently, tourism has emerged as one of the major industries in the world economy. Many countries are interested in developing tourism industry since it generates positive impacts in creating jobs or affecting domestic income. Simultaneously, tourism has major social impacts at regional and local levels, particularly in the areas of tourism activities take place. Consequently, the contribution of tourism industry to the global economic development is significantly important, as well as in state, regional and community planning. In the same line, it is necessary to implement a document for strategic tourism development, since it represents a strong mechanism to create general policy of the overall economic development.

Tourism is a creation of conditions that are possible for humans to get services related to increase physical and spiritual satisfaction from other areas and it has cost consequences. Tourism has become an industry that used by both private sector and the government as a form of increasing community income and welfare. For many nations, particularly in the developing world, protected area tourism either generates, or has the potential to constitute, a significant proportion of national GDP, foreign exchange earnings and employment figures (Wade and Eagles, 2003).

Industry and tourism development as important pillars of regions economic that has to be improved continuously and it has experience highly growth in all countries and as a strategic part of countries in increasing their income through this tourism sector. Tourism development is aimed at improving the abilities to promote economic activities involve various sectors. It is expected to be able to create job opportunities, rise income for government and community in tourist areas and foreign exchange earnings for the countries.

North Sulawesi as one of regions in Indonesia, tourism has become the potential sectors which own its economic resources. The government of North Sulawesi continues to encourage tourism development, because it has great natural potential and good attraction for tourists. In addition, tourism is important because it is one of the mainstays of North Sulawesi Provincial Government in the future, particularly in spurring foreign exchange earnings state and local revenues derived from non-oil sector, with no ignoring the principle of sustainable coastal area development. The potential of tourism in North Sulawesi is quite a lot, especially when viewed from its position in a strategic geographical position on the Pacific Rim. North Sulawesi has tourism objects spread across 15 districts and cities where there are 13 of them are areas with potential marine tourism. The government's choice to improve its tourism industry as a company alternative when global economic growth is currently experiencing difficulties, exports and prices commodity decreases.

The North Sulawesi government report in 2016 explored that North Sulawesi's tourism growth was increasing, especially by increasing cooperation between institutions such as Bank Indonesia with the aim of accelerating tourism growth and also boost economic growth in North Sulawesi. Indicator of tourism activities in North Sulawesi it is reflected in the number of foreign and domestic tourists. The 2014 BPS report shows that the total numbers of foreign tourists to North Sulawesi in 2013 there were 19,917 people and decreased in 2014

to 17,279 people. Total hotels or inns that are not starred and other accommodations in 2014 were 184 units with 3,310 rooms. For star hotels, there are 23 hotels with 2,371 rooms. Indicator Another aspect of the progress of the hotel and tourism sector is the Hotel Occupancy Rate (TPK). In 2014, Starred Hotel TPK in North Sulawesi was recorded at 53.42 percent, slightly decreased compared to last year which recorded 54.40 percent.

The launching of Manado's tourism activity agenda which titled Calendar of Event Enchantment Manado 2017 tourism or more trends with *Mari Jo Ka Manado* is one of the Manado City Government Agenda to increase the number of tourists to visit Manado. This is created to support one of North Sulawesi's tourism agenda to bring in one million tourists in 2017.

The level of integrity of the North Sulawesi government in increasing its tourism industry requires all government sectoral, both districts and cities, to have a commitment to support it. All districts and cities have attempted to launch a variety of programs and activities with various distinctive features of the region, such as the city of Tomohon with Tomohon International Flower Festival (TIFF) which is held almost every year and the city of Manado with the Enchanting Tourism Event Calendar of 2017

This description raises the question, what about the condition and position of the tourism industry in Manado city, when the higher intensity level of the North Sulawesi provincial government with a number of tourism programs, especially by looking at the position of resources and tourism resources, such as infrastructure and human resource support.

II. Literature Review

Tourism

Tourism is an activity which cuts across conventional sectors in the economy. It requires inputs of an economic, social, cultural and environmental nature. Tourism is a broad concept referring to the people's activities of leisure time within or out of their countries regardless of routine travels i.e. from home to work place, to their daily used areas etc (Tezcan, 2004). In this sense it is often described as being multi-faceted (Likorish and Jenkins, 1997). In social terms, tourism is associated with the contact between cultures, behaviors, values and traditions (Badulescu et al, 2015).

It is widely accepted that tourism is gaining more and more importance with the end of 20th century and especially with the beginning of 21st century regarding to the changing trends (Tezcan, 2004). Tourism is one of the most important components in affecting the global economy. It can generate high revenues and creates jobs. It is considered by many sector of business. In addition to that, public revenues generated from tourism industry can be counted and such revenues can support the cultural and historical heritage (Lickorish and Jenkins, 1997). Tourism is a multidimensional sector and is made up of several different industries. Accordingly, it has many interactions with other service sectors. It is an activity, which affects societies in different ways and has certain impacts on socio-economic and cultural development of them. It may contribute to the development of many fields.

As one of the most dynamic world industries, tourism is facing numerous challenges which affect its development. The planers and policy-makers apply the process of forecasting as the only way to increase the quality of information. On the contrary parallel to tourism development if environmentally sound policies are not developed, the scene will be reversed and tourism appears to be one of the major sectors that deteriorate the natural resources, by bringing overcrowding, congestion, uncontrolled constructions (Tezcan, 2004).

There is current and growing concern about the impact that some forms of tourism developments are having on the environment. There are examples from almost every country in the world, where tourism development has been identified as being the main cause of environmental degradation (Lickorish and Jenkins, 1997).

The issue referring tourism economic effects on country's development is highly explored. Namely, numerous researchers have been involved and a wide variety of techniques have been applied in quantifying tourism economic effects. Taking into consideration multidimensionality of tourism services and nature of process of tourism services providing, together with new trends in tourism development and causality among tourists perception of quality, their satisfaction and loyalty, management of tourism organization has to research of potential and current customers/tourists. Since tourism services are combination of products and services some authors has been trying to explain them as a package of tangible and intangible elements participating in tourism experience at tourist destination (Gilbert,1990), but also in the process of planning a visit and traveling to destination (Hodović and Kalajdžić, 2016).

There are three concepts of business in tourism (Likorish and Jenkins, 1997), namely, (1) the primary trades, which are most commonly associated with tourism (e.g., transport, tour companies, travel agencies, accommodations, catering facilities and attractions); (2) the secondary trades that help support tourism, though are not exclusive to tourism (e.g., retail shopping, banks and insurance, entertainment and leisure activities, personal services); and, (3) the tertiary trades, which provide the basic infrastructure and support for tourism (e.g., public sector services, food and fuel, manufacturing).

But at the same time, tourism started to show its negative side. Both the actions of tourism industry and of tourists are having negative impacts on the socio-cultural values, environment and economic. From the economic perspective, tourism generates wealth and jobs, but the wealth leaks from the community and the jobs are mainly low-income. From the socio-cultural perspective, tourism brings together many people from different countries with different cultures and traditions. The main problem from these negative impacts is that the local community is the only side that picks up the check for all the damages on the culture, tradition and, most importantly on the environment. If the positive impact of tourism can be observed most easily on the economy, then surely, that the negative impact on the environment is the most evident. Compared with the economic impact of tourism, the environment has become a theme for studies and research recently, joining in the ecologist stream at the end of the '80s and early '90s (Holden, 2003).

Competitiveness

The increasingly volatile environment of firm has entailed recent popularity of the notion that competitiveness is a part of organizational strategic in maintain their existence in such environment. Organizational competitiveness and competitive environment are the two elements that affect each other. Understanding the business environment is very important for running a business unit successfully. Differences in competitiveness today are significantly different compared to past period (Rengkung, 2016).

Over the last decade or so, the term competitiveness has been widely used – and sometimes abused. Competitiveness is meaningless word when applied to national economies (Krugman, 1994). The term competitiveness has been intensively dissected in the academic literature ever since it became a focus of the policy debate in the late 1980s and early 1990s (Krugman, 1994). The definition has been criticized on a number of accounts, many of which are related to problems in translating a concept initially created to understand firm rivalry. Definitions of abstract concepts like competitiveness are never true or false. They can as conceptual tools only be evaluated with regards to their ability to shed light on the particular issues that they are being proposed to address.

Porter (1980) defines competitive advantage grows out of value a firm is able to create for its buyers that exceed the firm's cost of creating it. This definition is important for organizations that have the mandate to track and manage macroeconomic imbalances (Ketels, 2016). If competitiveness has any meaning, it is simply just another way to express productivity. The ability of a country to improve its living standard depends almost entirely on its ability to raise its productivity.

Competitiveness is related to how organizations find and maintain their sustainable competitive advantage. Sustainable competitive advantage is defined as “above-average performance in the long run” (Porter, 1980), with the amount of time defining the “long run” not specified. Furthermore, Porter (1980) states that an organization will gain a competitive advantage when running the so-called generic strategies, either cost leadership, differentiation or focus strategy.

Siudek and Zawojnska (2014) said that the term of competitiveness is one of the most commonly used concepts in economics but it is not precise enough, what means that there is no generally accepted definition of competitiveness. Moreover, they describe that competitiveness has been described by various authors as a theoretical, multidimensional and relative concept associated with the market mechanism. In here-presented analysis of its definitions, the concept may refer to different levels of aggregation: supranational, national, regional, local, industrial, sectoral, as well as to individual companies (or farms).

Competitiveness is an ability of an economy to provide its residents with a rising standard of living and a high employment on a sustainable basis and moreover, Porter (1980), also explained that the most intuitive definition of competitiveness is a country's share of world markets for its products. This makes competitiveness a zero-sum game, because one country's gain comes at the expense of others.

Competitiveness as a comparative measure between companies within an industry is closely related to the presence of a competitive advantage and a major contribution to enlighten competitive advantage has come from studies done by Michael Porter (Ketels, 2016).

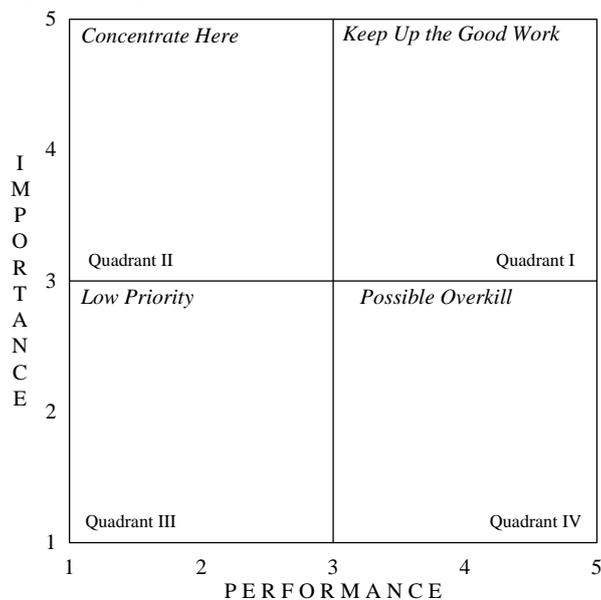
Importance Performance Analysis (IPA)

One technique is available for protected area professional is Importance - Performance Analysis (IPA) introduced first by Martilla and James (1977). This IPA provides management with a useful focus for developing marketing strategies for expectations related to importance and performance (Martilla and James, 1977). The application of IPA, is well documented, and has shown the capability to provide service information for both satisfaction measurement and efficient allocation of resources, all in an easy format (Wade and Eagles, 2003). The goal of IPA is how to measure the relationship between consumer perceptions and priorities of quality, product or service improvement known as quadrant analysis (Brandt, 2000 and Latu and Everrt, 2000) and this method, which is relatively easy to administer and interpret, resulting in extensive use (Silva and Fernandes, (2011).

The importance-performance analysis method (IPA) is used in market research in order to measure the level of customer satisfaction. Importance Performance Analysis (IPA) is conceptually a multi-attribute model. This technique identifies the strengths and weaknesses of market offerings with using two criteria, namely the relative importance of attributes and customer satisfaction. This technique begins by identifying the attributes that are relevant to the observed choice situation. The list of attributes can be developed by referring to the literature, conducting interviews, and using managerial judgment.

In brief (Wade and Eagles, 2003), importance and performance scores attained from survey instrument Likert scales are plotted onto a two-dimensional matrix, where arbitrary gridlines are established that reflect standards of service quality and managerial goals. Importance questions may read something like how important the following services are to you while at our establishment, while performance questions may read as how did we perform on the following service aspects? All points fall into one of four quadrants (Wade and Eagles, 2003) with importance on the y-axis and performance on the x-axis (Chen and Lin, 2013). The four-quadrant IPA matrix is shown in Fig. 1. Quadrant I is labeled Keep up the Good Work, with high importance/high performance, which indicates that the firm has been performing well to gain competitive advantage. Quadrant II is labeled Concentrate Here, with high importance but low performance, indicating that the firm has been performing poorly and requires improvement to be a top priority. Quadrant III is labeled Low Priority quadrant, with low importance and low performance. Any attributes falling into this quadrant are non-important and pose no threat to organizations. Employees do not perceive this feature as important. Quadrant I is labeled Possible Overkill, with low importance and high performance, indicating that employees are satisfied with the performance, but the specific attribute is relatively non-important.

Figure1: Importance Performance Analysis (IPA) Matrix



III. Method

This study uses Importance-Performance Analysis (IPA) by taking 90 visitors visiting in hotels, or restaurants and tourism destinations in Manado, taken by accidental sampling. There are four variables namely (1) Service factor measured by underlying factors of Friendliness, Speech, and Communication; (2) Facilities and Infrastructure factors measured by underlying factors of Hotel, Technology and Cleanliness; (3) Destination factor measured by underlying factors of Attractions, Number of place and Transportation; (4) Security factor measured by underlying factors of Hospitality, Personality and Responsive. These variables are measured using a 5-point Likert-type scale with a range of 1 (unfavorable) to 5 (favorable) (Geoff, 2010). In order to get more information about these factors and underlying factors, depth interview is taken.

IV. Results and Discussions

Results

Results of mean scores of the underlying factors of Service, Facilities, Destination and Security in relation to Performance and Importance Analysis (IPA) are shown in Table 1. All mean scores are then transferred to IPA grid presentation with the X-axis represents tourist's perception of Performance and the Y-axis represents values of the Importance of each tourism quality dimension (Figure 2).

Table 1: Mean Sore of Service, Facilities, Destination and Security

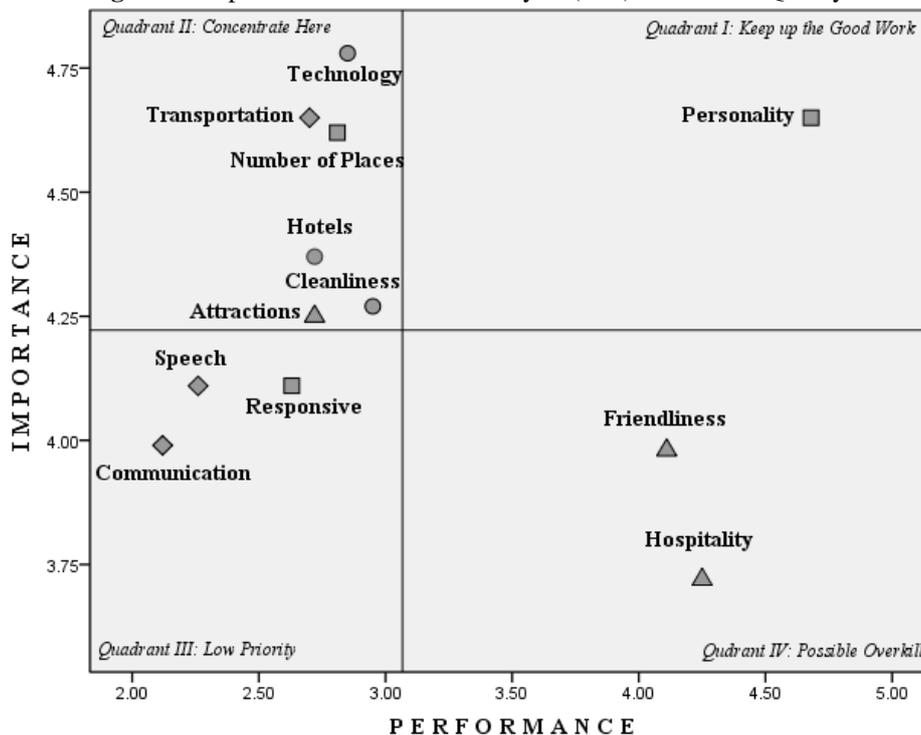
No	Dimensions and Factors	Performance	Importance
1.	Service		
	a. Communication	2.12	3.99
	b. Friendliness	2.70	4.65
	c. Speech	2.26	4.11
2.	Facilities		
	a. Hotels	2.72	4.37
	b. Technology	2.85	4.78
	c. Cleanliness	2.95	4.27
3.	Destination		4.12
	a. Number of Places	4.25	3.72
	b. Attractions	2.72	4.25
	c. Transportations	4.11	3.98
4.	Security	2.72	4.32
	a. Personality	4.68	4.65
	b. Hospitality	2.81	4.62
	c. Responsive	2.63	4.11

The results of this study propose that Importance Performance Analysis (IPA) may be an important tool to determine the competitiveness of Manado Tourism by identifying the position of those underlying factors of tourism of Service, Facilities, Destinations and Security. As shown in Figure 2, it can be explained that all underlying factors of Service, Facilities, Destinations and Security are identified separately in four quadrants of IPA.

The Keep up the Good Work quadrant (I) identified an underlying factor of Personality. This result indicated that this underlying factor presented in this quadrant as a dimension perceiving high importance and showing the best in performance. There are six underlying factors are identified in Concentrate Here quadrant (II). Those are Attractions, Cleanliness, Hotels, Number of Places, Transportation and Technology. This quadrant II is perceived by tourist that all those six underlying factors as very important factors and perceived as low and standard performance. Low Priority quadrant (III) identifies three underlying factors, namely Communication, Responsive, and Speech. This third quadrant of Low Priority indicated that all those underlying factors are perceived less importance and show less performance as well.

Furthermore, the underlying factors of Friendliness and Hospitality are captured in Possible Overkill quadrant (IV). This shows that Transportation and Number of places perform excellent, but tourists perceived them least importance.

Figure 2: Importance Performance Analysis (IPA) of Tourism Quality



V. Discussion

As illustrated in figure 2, underlying factors of personality is identified in quadrant I: Keep up the Good Work. This explains that personality received high mean score, therefore this fact should be consistently maintained. This attribute is also important to visitors and well performed by Manado tourism industry. This area has to be continued and kept for positive results. For visitors / tourists, personality factor is an important factor and assuming that Manadonese's personality is good. The personality strength of Manadonese who like to greet and quickly accept strangers are strong assessments by visitors, such as when they are asking how to use public transportation.

Concentrate Here in Quadrant II captured more underlying factors than three other quadrants of IPA. There are six underlying factors, such as Technology, Friendliness, Hospitality, Hotels, Cleanliness, and Attractions. These underlying factors are important for tourists, but unfortunately, the facts occurred are far from expected, especially in technological factor. Technology support that has not been maximized is the main reason for tourists, because they still find it difficult to get maximum communication. The tourists also considered the form and type of attractions offered are still minimum sized, because the main reason for their visit is to get many attractive and interesting attractions. The cleanliness factor and the hotel are either considered main assessments for every visitor. Their reviews of these two factors need some improvements because they still found many trashes on the road and the people still do the littering. In case of the hotel cleanliness, they assume relatively because they consider that the cleanliness of hotels and inns depends on the qualifications of the hotels and lodging offered. Means, the condition of 5-star hotels are different from the ordinary hotels or inns. Tourists considered that the conditions of transportation offered are not satisfied, such as the condition of the vehicles (compared to Bali) and the amount of congestion that occurs during their stay in the city of Manado. This also happened in the number and condition of tourist attractions that are considered very important to them, but the facts and conditions offered are not as expected. They consider that there are fewer good numbers and qualified as they expected. They assume that the number of places offered needs improvements and maintenances, for example the Sea Park of Bunaken.

The three underlying factors of Communication, Responsiveness, and Speech captured in Low Priority quadrants need attention by the tourism industry stakeholders in the City of Manado. The factors of communication and speech are very important for tourists, but they judge that these two factors are not important, because they know that the guides have the ability to communicate and have foreign language skills. The facts show that the communication and speech of the guides has not been so good, because there are several explanations about the location and conditions of tourism that cannot be understood. The tourists consider that the responsive factor is not so good, because it is still felt that it is still so slow in responding to what is desired, such as when you want to buy goods in the mini market. The underlying factors are not important, for tourists, because Manado's personality factors are good, but tourists feel that Friendliness and Hospitality are also very good. This is evidenced by the treatment of tour guides who quickly want to be friends by asking directly the identity of the tourists friendlyly.

VI. Conclusions and Suggestions

It can be concluded that all underlying factors of Service, Facilities, Destinations and Security are identified separately in four quadrants of IPA. The Keep up the Good Work quadrant identified an underlying factor of Personality. The underlying factors of Attractions, Cleanliness, Hotels, Number of Places, Transportation and Technology are identified in Concentrate Here quadrant. Low Priority quadrant identifies underlying factors of Communication, Responsive, and Speech. Finally, the underlying factors of Friendliness and Hospitality are captured in Possible Overkill quadrant.

In case of Keep up the Good Work area, government and all stake holders of tourism industry in Manado has to continue and keep positive. For Possible Overkill, all factors and underlying factors which tourism industry perform with high quality, but the one which is not important to tourist, it is important here to increase human resources. All underlying factors in Low Priority quadrant having low importance to customers and low organization's performances need popular policies. Finally, all underlying factors which are important to tourist, but not perform well, it should focus its efforts in order to improve current performances.

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