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Identification and Analysis of Value Stream Supply Chain: An Innovation in Tourism

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Abstract

Baturraden tourism is one of the famous tourist objects in Banyumas and is known as an interesting natural tourist destination to visit. Besides having beautiful scenery and cool air, it also has facilities and rides that are quite complete for visitors. In the Baturraden area, there are many interesting tourist objects that complement it, including the Pitu Shower, Telu Shower, campground, Kaloka Widya Mandala, Ceheng Waterfall, hot springs, Sunyi Lake, and Combong Valley Tour. Baturraden Botanical Garden is the 27th botanical garden in Indonesia and a means of conservation. Its existence is not only as a tourist spot, but also as a means of education for students. Activities related

to tourism can provide an attraction for local and international tourists. This condition is not only carried out or driven by the government represented by the Tourism Office, but this industry must also be carried out in synergy between the government, academics, and the community who have interests in the tourism sector. Value chain management is an analytical method consisting of all providers of goods and services engaged in the provision of tourism products. Value chain transformation aims to identify as well as evaluate the stages of resource activities and strategies in increasing competitiveness sustainably.

Keywords: Value Chain Management, Competitiveness, Sustainable

Introduction

The Indonesian government in the Master Plan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI) has realised that the tourism industry has a positive impact on development in Indonesia (Bappenas, 2019) [1]. Data from the Ministry of Tourism and Creative Economy which is also combined with data from the Ministry of Manpower and Transmigration below shows this:

Table 1: Data on National GDP, National Employment, and Contribution from the Tourism Sector

	2016	2017	2018	2019
National GDP (Trillion Rupiah)	2,273,14	2,784,90	3,339,50	3,957,40
Tourism Contribution (Trillion Rupiah)	113,78	146,8	143,62	169,67
Percentage	5.01	5.27	4.30	4.29
National Employment (Million People)	93,72	93,96	95,46	99,93
Tourism Contribution (Million People)	8,49	6,55	4,41	5,22
Percentage	9.06	6.97	4.65	5.22

Source: Ministry of Tourism and Creative Economy (2019)

The table above explains that from 2009 to 2012 the average percentage of the national tourism industry contributed at least 4% to the national gross domestic product (GDP). It can be concluded that the competitive advantage of the tourism industry has a positive impact on Indonesia's national competitiveness. The tourism sector in Indonesia is a very potential aspect in increasing regional economic development. Because with the presence of foreign and domestic tourists, it will provide input in terms of foreign exchange for the country and local revenue (PAD). This is what is expected by many regions throughout Indonesia, especially Baturraden. The development of this tourist destination is expected to improve the welfare of the community by creating new business opportunities. Banyumas is one of the districts in the Central Java Province. Banyumas

Regency is a potential tourist destination because it has many types of tourism objects, especially in Baturraden District. Baturraden District has seven tourist attractions, including Baturraden, Three Showers, Seven Showers, Gede

Waterfalls, Bayan Waterfalls, Baturraden Adventure Forest, and Wanawisata. The following is data on tourist visits to these attractions in Baturraden District in 2019 which can be seen in Table 2:

Table 2: Recapitulation of Visitors to Banyumas Regency Tourism Objects in January-December 2019

	Baturraden	Three Showers	Seven Showers	Bayan Waterfalls	Baturraden Adventure Forest	Gede Waterfalls	Wanawisata
January	47,237	5,487	2,116	2,230	155	2,230	1,120
February	18,009	2,245	629	1,545	130	1,545	928
March	17,462	1,925	619	1,873	230	1,873	743
April	17,974	2,245	0	2,031	207	2,031	928
May	24,137	2,902	827	2,388	214	2,388	1,000
June	28,620	3,487	908	1,859	184	1,859	1,229
July	66,517	789	6,053	1,658	19	1,658	411
August	57,905	6,078	3,673	1,843	160	1,843	825
September	16,089	2,017	470	1,548	393	1,548	596
October	21,374	2,940	755	1,998	124	1,998	1,307
November	22,328	3,741	1,012	2,058	240	2,058	1,060
December	46,360	6,041	1,318	2,456	403	2,456	1,447
Total	384,012	39,897	18,380	23,487	2,459	23,487	11,594

Source: Ministry of Tourism and Creative Economy (2019)

These tourism sites in Baturraden District have great potential and tourist attraction and can be used as an alternative for tourism development in the area, but the potential that exists in each tourist attraction has not been fully developed to its full potential. This is the problem why tourism objects in Baturraden District are less well known and in demand by tourists in general, even tourists prefer other areas to travel. Activities in the tourist area are also rarely seen. Based on Table 2, it is concluded that every tourist attraction in the Baturraden District has had regular tourist visits as in the table which has tourism potential that can be developed.

Value chain analysis is an analysis of activities that generate value, both from within and outside the company. The value chain concept provides a perspective of the company's location in the industrial value chain. Value chain analysis helps understand the value chains that make up the product, the value that starts from raw materials to handling the product after it is sold to consumers. After identifying its position, the company recognises the activities that make up that value. This value chain includes activities that occur because of relationships with suppliers (supplier linkages) and relationships with consumers (consumer linkages). These activities are separate activities but are highly dependent on one another. Value chain analysis helps decision makers to understand the company's position in the product value chain to increase competitive advantage. Hassan (2012) ^[4] stated that the value chain transformation approach is the best approach in building corporate value in a better direction.

The specific objectives of this research are: 1) Identifying and evaluating the development and potential of alternative tourism in the Baturraden area; 2) Determining the key factors for the successful implementation of value chain transformation; and 3) Building and developing tourism in the Baturraden area with the right value chain model for tourism actors based on the evaluation results and key factors in the tourism industry. The results of this research are very important with the value chain transformation. Therefore, the existing resource stages can encourage the development of alternative tourism in the Baturraden area. Value chain transformation can ensure the management of resource issues, such as the problem of selecting the tourism

industry value chain, analysing the natural tourism value chain, developing competitive strategies, implementing development plans, as well as monitoring performance and evaluating results. The major contribution of this research is the strategy of developing a value chain transformation model that companies generally use in dealing with business competition so that they are able to grow and develop sustainably.

The benefits of this research can be divided into two parts, namely general benefits and specific benefits. The general benefits of the results of this research include benefits for science. This research is expected to provide a new discourse regarding the application of value chain transformation in the tourism industry which previously had not been widely researched or studied in Indonesia. The practical benefit is that this research is expected to be useful for the government, especially the Tourism Office and entrepreneurs in managing so as to develop the tourism industry. This research is expected to provide some specific benefits as follows: 1) Obtaining data from the identification and evaluation of the implementation of resource planning that has been carried out so far. This will be used as the basis for answering problems that arise, such as the management of operational management, human resources, marketing management, and financial management; 2) Finding out the key factors for successful implementation of value chain transformation in order to increase competitiveness. This can be used as the basis for determining steps and plans for the development of the tourism industry; and 3) Obtaining a strategy for developing the right value chain transformation application model for the tourism industry, especially alternative tourism in the Baturraden tourist area. Through the stages of existing resource activities, it is hoped that the upgrading of domestic and foreign tourists is expected.

Methodology

This research used an explanatory research design using a qualitative research methodology. The data used consists of primary data and secondary data. Primary data were obtained from questionnaires with respondents who are competent in the tourism industry, in this case the core actors of the tourism business themselves such as owners /

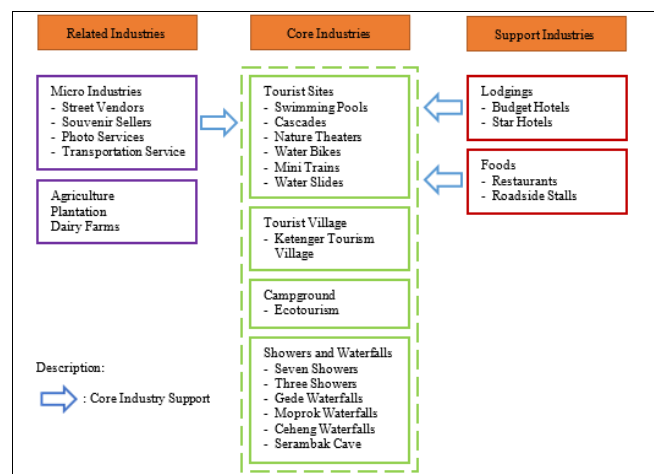
managers, accommodation, travel agents, and others. The sample of respondents was selected from 8-10 business actors from each case study. Secondary data were obtained from literature studies, both online through the internet and offline through books, journals, papers, theses, statistical data, articles from magazines, and articles from newspapers. Specifically for qualitative data analysis, a verification process was carried out from various sources through in-depth interviews and FGDs with various sources, such as the Baturraden Tourism Office, tourism actors, as well as parties related to the development of the Baturraden tourism sector. Meanwhile, quantitative data were mostly used as supporting data.

To analyse the competitive strategy of each case, the data that had been collected was then analysed to determine the existence of potential business cluster formations obtained from the analysis of the requirements for the formation of a successful business cluster. Then, it was continued with an analysis of the value chain transformation of the tourism industry in each case study to find out the weaknesses and strengths which were then used in sharpening strategic recommendations.

Result and Discussion

Analysis Framework

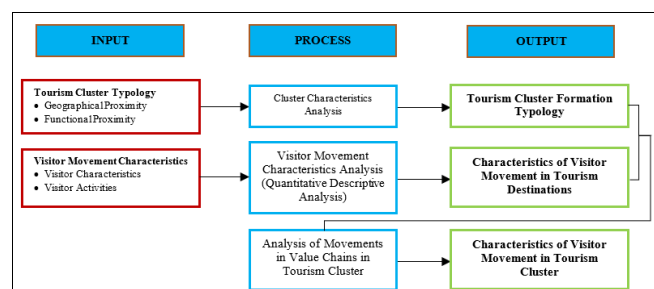
The analysis framework is the stage of the research analysis process using the data obtained as input and the analysis carried out as a process.



Source: Researchers' Analysis Results (2019)

Fig 1: Analysis Framework

From the input and process, then an output was produced from each process, and this output was then related to other analyses. The value chain analysis framework in this research can be seen in Figure 2 as follows:



Source: Researchers' Analysis Results (2019)

Fig 2: Tourism Value Chain

Cluster business groups in the Baturraden tourist area between their business actors form an upstream and downstream business chain where the upstream and downstream business chains depart from determining certain small business groups as a starting point. Then, it was continued by looking at other actors related to the small business group even though it was based on field conditions where the Seven Showers tourism object was the flagship of the area. However, with the existence of tourist sites as access points to other tourist sites, tourist sites objects become the starting point in value chain activities in the Baturraden tourism cluster.

Geographical Proximity

Geographical proximity analysis in this research is one way to find out how the geographical proximity between business actors in the formation of Baturraden tourism clusters where clusters are formed due to geographical proximity so as to create collective closeness. This closeness creates an interaction that is created because of a network that causes a relationship. In this analysis, to find out how the geographical proximity that occurs in the Baturraden tourism cluster is to see how the influence and interactions between value chains are shown from the results of the interviews. The results obtained show how the relationship between value chains, the majority of which are geographically close to each other (position). Thus, geographical proximity will be obtained between actors in the Baturraden tourism cluster. There is a link between the tourism system or a mutually beneficial interaction due to the geographical proximity between one value chain and another supporting value chain. Meanwhile, the less close relationship between lodging and business actors and restaurants can be influenced by overlapping services where the lodging has also provided facilities in the form of services offered by business actors and restaurants.

Functional Relationship

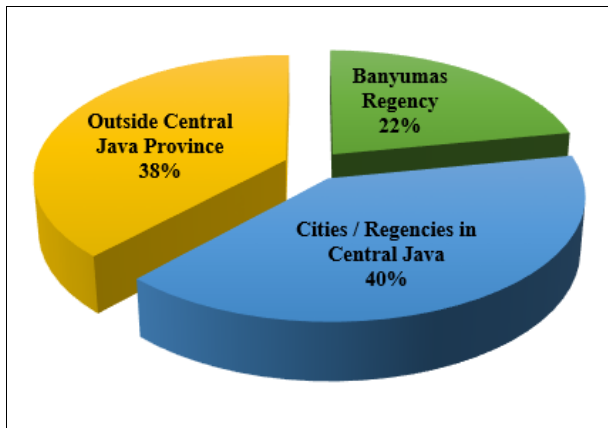
Functional proximity itself is how the collective closeness is caused by having the same function or different functions so as to create a tourism production system that is interrelated between one business unit and another. "There is cooperation between business actors such as bureaus, hotels, and so on because there is a symbiotic relationship of mutualism....." (Ducruet, 2016) [2]. Through the analysis of functional linkages, it can be seen that there are interrelated and beneficial relationships between each stakeholder and different value chain business actors so as to create a functional system link from the Baturraden tourist area.

Visitors Movement

Movement analysis was used to find out how the movement of visitors and the pattern of visitor movements in the Baturraden area in relation to the movement of the value chain.

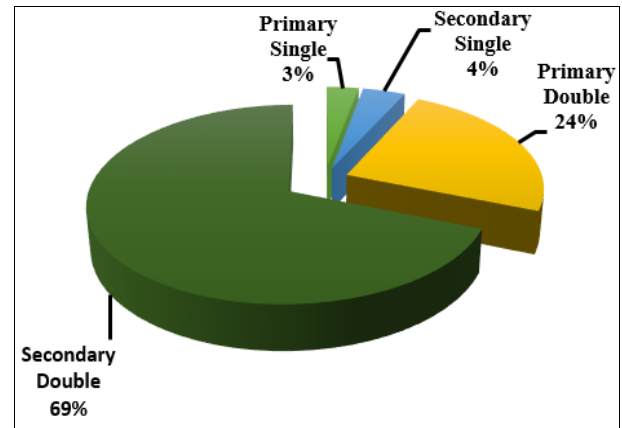
Visitor Characteristics

Based on data on the number of visitors, the Baturraden tourist area experienced an increase in visitors of 0.98% from 2008 to 2012 which can be seen in Fig 3 as follows:



Source: Researchers' Analysis Results (2019)

Fig 3: Visitor Characteristics



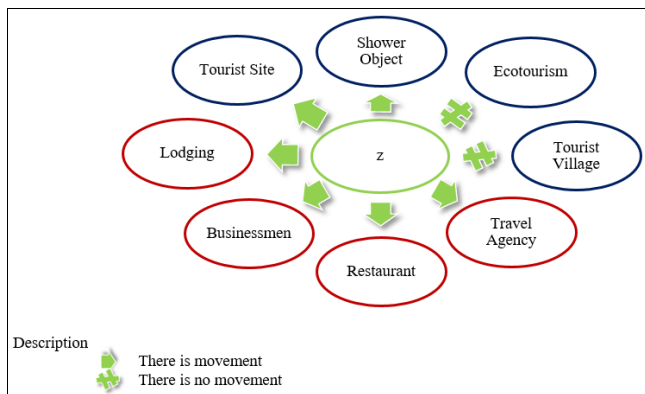
Source: Researchers' Analysis Results (2019)

Fig 5: Percentage of Movement Typology

With the increasing diversity of visitors, causing and influencing tourism activities and activities in Baturraden. With the more visitors, the more diversity in the area of origin of visitors who carry out tourism activities in the Baturraden tourist area.

Value Chain Movement

The movement itself can occur because of a process of fulfilling needs whose activities are carried out every day, such as fulfilling the needs for work, education, health, and sports which can be seen in Fig 4 as follows (Mol, 2015) [9]:



Source: Researchers' Analysis Results (2019)

Fig 4: Value Chain Movement

Movement in the Baturraden Tourism Value Chain

This statement was suspended by the results of the recapitulation of the location of the visitor's choice in buying food, namely 54% inside tourist sites and 16% outside tourist areas, while 30% did not buy food. Thus, it can be seen that the bond between business actors and tourism objects is very strong. From the analysis above, the typology of visitor movement from origin, destination to value chain movement, and outward movement is obtained. The literature synthesis of visitor movement typology is divided into four movement typologies based on their relationship which can be seen in Fig 5 as follows:

Based on the analysis results and research findings that have been described previously, it can be said that this research has been able to answer theoretical questions regarding the relationship between clusters and their relation to visitor movement. The relationship between this value chain consists of active and passive relationships so as to create collective benefits for business actors because of this movement. It is said to have an active collective advantage where an active relationship is shown if there is a strong relationship between value chains in the Baturraden tourism cluster. Meanwhile, the relationship is said to be passive if the chains in the Baturraden cluster are not strongly related because the relationship is formed by a system that connects different clusters. These impacts include positive and negative impacts due to the movement so as to create collective benefits between active and passive business actors. These impacts include: 1) The relationship of collective benefits between value chains that are passive tends to form a strong market system because the management by tourism agents is more structured by combining the regional image of several potential value chains between clusters so as to support one another's activities; 2) With a strong market system, it will directly add income to each cluster in an even distribution of income; 3) In a passive relationship, competition between value chains will become more competitive by highlighting the regional image of each business actor so as to spur each value chain; 4) Passive relationships have a development impact that will focus on potential value chains only; and 5) An active relationship will only occur if each value chain is close together, so it is likely that there will be a value chain that is not maximally explored in one cluster. However, this relationship will move small business actors.

Conclusion

The methods for implementing the development strategy are: 1) improving destination design and tourism investment; 2) development of tourist attraction; 3) development of the tourism industry; 4) community empowerment in tourist destinations; 5) development of special interest tourism, conventions, incentives, and events; and 6) management support and other technical tasks for the development of tourism destinations. The output stages are as follows:

Table 3: Output Stages

Activities	Descriptions
Tourism destination design and investment	Through: 1) mapping of strategic areas / SEZs in tourism; 2) preparation of criteria for determining tourism strategic areas / SEZs; 3) identification, assessment, and inventory of the creative potential of the community; 4) arrangement of areas that can become creative zones (tourist villages, souvenir centres, and art hermitages); 5) designing a model for the use of community creativity; 6) designing an integrated creative zone model; 7) technical guidance on creativity-based production; 8) encouraging the improvement of the tourism investment climate; and 9) preparation of regional tourism investment profiles and proposals.
<i>Destination management organisation</i>	Through: 1) preparation of a destination master plan in order to improve destination management; and 2) facilitation of tourism strategic area development.
Tourism attraction development	Through: 1) assessment of the feasibility of supporting the development of tourism facilities in the region; 2) preparation and implementation of guidelines for the development of environmentally friendly tourism destinations; 3) formulation of policies for the development of natural / marine and cultural tourism attractions; 4) preparation of the application of guidelines and criteria for the development of tourist attractions; 5) facilitation of cross-sectoral cooperation in the development of tourist attractions; and 6) support and facilitation of the development of tourist attractions in the region.
Tourism industry development	Through: 1) consolidating access to transportation; 2) increasing cooperation and integration in the development of access for foreign and local tourists; 3) support for increasing the capacity of the tourism business and industry; 4) preparation of business standards in the tourism attraction and facilities business sector; 5) preparation of test materials for tourism facilities business certification; 6) capacity building of organisations / associations in the tourism facilities business sector; 7) implementation of technical guidance for tourism facilities business development; 8) socialisation of the application of green hotels; and 9) facilitation of work place auditors for tourism facilities business sector.
Community empowerment in tourism destinations	Through: 1) tourism awareness movement in the media; 2) formulation of security management system policies in tourism businesses; 3) preparation of guidelines for Clean Indonesia; 4) preparation of reviews of tourism awareness material guidelines; 5) preparation of monitoring and evaluation instruments; 6) preparation of community empowerment studies in tourism destinations; 7) preparation of the study of tourism awareness development programs; 8) implementation of monitoring and evaluation; and 9) development and formation of tourism awareness groups.
Development of special interest tourism, conventions, incentives, and events	Through: 1) identification of culinary tourism products and shopping, recreation, and entertainment; 2) development of natural and cultural tourism; 3) development of special interest tourism, conventions, incentives, and events; and 4) setting standards for the development of culinary tourism and shopping, recreation, and entertainment.
Increasing the Independent National Community Empowerment Program (PNPM Mandiri) in the tourism sector	Through: 1) submission of PNPM Mandiri of tourism in tourist villages; 2) degree of community empowerment work; 3) manufacture of tourism information materials for PNPM Mandiri; 4) PNPM Mandiri assistance in the tourism sector; and 5) PNPM Mandiri of tourism national meeting.
Management support and technical support for the development of other tourism destinations	Through: 1) administration of tourism destination development; 2) technical working meeting for tourism destination development; 3) preparation of plans and programs for the development of tourism destinations; and 4) facilitation of cross-sectoral coordination and regional synchronisation.

Source: Researchers' Analysis Results (2019)

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