

Resources Innovation Towards Industrialization and Downstream Policy in Tourism Products:

An Analysis of Special Interest Tourism Development in Banyuwangi Regency, Indonesia

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Abstract—Most of tourism development model in Indonesia still adopt the comparative advantage approach. This has resulted in Indonesian tourism being less competitive than neighboring countries that have adopted a competitive advantage strategy. This study examines the development of special interest tourism in Banyuwangi Regency, which is one of the new emerging tourist destinations in Indonesia. This study adopts Roger 's theory of the diffusion of innovation in order to provide an overview of the development as expected. The data in this study were obtained through a field study during the period July to September 2018. The results of this study indicate that human resources play the most important role in directing tourism developments into the industrial downstream policy. By adopting the downstream policy, the expected result is an emerging destination that is more competitive in the rising competition of the global tourism industry.

Keywords—special interest tourism, innovation, downstream policy

I. INTRODUCTION

The Banyuwangi Regency as the largest region on the island of Java, has a range of natural and cultural resources that can be established to promote the well-being of local society. In line with the spirit of regional autonomy, the developmental philosophy in Banyuwangi is directed at increasing the per capita income of the community, reducing poverty, advancing education, improving community health and nutritional status, gender equality, child protection, and narrowing the welfare gap in society [1]. Thus, the material and spiritual well-being is the ultimate objective of Banyuwangi's governance and development process.

A prosperous society in both material and spiritual aspects is a society that in the process of social life constantly develops sciences and technologies, and applies it based on agreed legal values and norms [2]. It is also expected that they will be able to create a culture that is more concerned with the environment, has an open-mindedness of gender equality [3] and recognize

the inequalities that exist in society with a greater degree of awareness.

The Banyuwangi Regency is located at 113° 42' - 113° 15'8" east longitude and 8° 10'8" south latitude with a population of around 1.5 million people. The region covers a 5,782 km² administrative area, which is divided into 24 districts. Banyuwangi is creatively positioned itself as "the sunrise of Java" for branding against other regions in Indonesia, because of its geographical location at the easternmost edge of Java Island. By this geographic location, Banyuwangi strategically has a longer coastline relative to other places in East Java. With this advantage, the marine sector has an ample capacity to synergize with other agricultural industries, which are the primary contributors to the Gross Regional Domestic Product of the Banyuwangi Regency.

In order to create a healthier and sustainable tourism industry, an in-depth analysis and assessment is required so that this industry can grow towards a productive industrialization and thus, support other existing sectors. Downstream policy involves the transformation of commodities in the basic product segment into products with higher value added, such as semi-finished goods or finished goods [4]. Therefore, the concept of comparative advantage that gives priority to the natural endowment aspect must be transformed into a competitive advantage framework that places innovation and creativity in order so that the products manufactured would therefore succeed in the global market [5]. Currently, the Indonesian government has pushed downstream policy for industries, especially industries based on mining and agriculture as well as those relates to human resources and the domestic market.

II. THEORETICAL REVIEW

A. Special Interest Tourism

The existing view of tourism growth in Indonesia mostly focuses on the comparative advantage of tourism resources by

prioritizing the facets of the country's natural and cultural diversity that are not held by other nations. This view has proved incapable of, first, rapidly and competitively improving Indonesian tourism, leaving Indonesian tourism to stay behind in attracting international visitors compared to other countries in the Southeast Asian region, such as Vietnam and Singapore, which are not superior to Indonesia in terms of geographical and cultural diversity.

Second, a competitive advantage-based view leads to a tendency to exploit existing resources and neglect their sustainability [5]. As a result, many tourism destinations are no longer able to proceed to the rejuvenation stage of their life cycle after experiencing a stagnation point and begin to suffer losses before they eventually hit the point of death [6]. In the other hand, the model of improving tourism industry on the basis of comparative advantage provides further facets of innovation and creativity in the development of a tourism zone [5,7]. This viewpoint calls further attention to the activities of exploration rather than exploitation, such that the resource 's capacity is pursued to extend its desirable capability [5]. The appeal of a destination can be improved by partnering with other destinations, thereby providing a higher value experience for travelers.

In order to support competitive advantage paradigm, it is necessary to shift the focus of mass tourism towards an alternative form of tourism called special interest tourism. As an alternative to mass tourism, special interest tourism is characterized as a trip made by tourists with the primary motivation to gain experience and enjoy tourism products provided by a destination that corresponds to the special interests of tourists [8]. In addition, based on Cohen's view [9], a definition of special interest tourism may be taken as a form of tourism activities involving an person or a group of people who want to obtain experience based on certain interests in a particular place, destination, profession or culture.

On the basis on these definitions, it can be highlighted that special interest tourism may involve a wider type of tourism such as cultural, sports, nature, or cruise ship tourism, but specifically addresses a small target market that has a desire to involve and gain experience directly from tourism activities currently running. Special interest tourists are usually a small group who have the same profession, hobby, or those who are in the same particular state and condition.

B. Downstream Policy in Tourism

The Indonesian government is currently intensively launching an industrial downstream program with a major focus on the mining, tourism and HR-based industries and the domestic market. In this context, innovation in tourism resources for the development of tourist destinations should lead the tourism sector towards downstream industrialization, which not only relies on natural and cultural gifts, but also focuses on innovation and creativity, enabling global competitiveness and sustainability to be generated [5,10]. Industrialization of the tourism industry has a managerial implication on the need to define target markets as the earliest

stage in preparing the development of tourism destinations. Thus, conceptual definitions are needed in order to identify target markets and opportunities in developing an appropriate tourism segment.

Tourism is a process that is full of preparation. In the hope of getting an optimum positive experience, a tourist will plan every tour he will undertake well and carefully. Preparations, such as the study of the situation and conditions of the destination, reflect at least the planning of a tour. In tourism, therefore, there is very little possibility of impulsive purchases [11]. On the other hand, in order to satisfy and provide visiting tourists with experience and ensure the success of tourism programs that are made sustainable in the future, a tourism destination also plans carefully to create a tourism service delivery system. Tourism planning must therefore be capable of integrating the concerns of stakeholders, effective destination management, innovative marketing programs and adapting the interests of local communities into a unique, innovative and competitive product package for destination tourism.

Currently, there has been a shift in consumer interest in the industry, including that in tourism industry. This is driven by many factors, such as a higher level of welfare accompanied by a higher level of consumer education, concern about the future of the earth, and the desire to obtain products that are healthier and more environmentally friendly. Thus, the industry must make strategic adjustments to capture new opportunities that arise.

As with other markets, the tourism market is currently leading to a form of customization in consuming a product. The tourism industry has now begun to leave the concept of mass tourism and shift to forms of tourism that lead not only to economic prosperity but also environmental welfare and socio-cultural welfare. This situation raises new segments and opportunities in tourism consumption such as cultural tourism, ecotourism, sports tourism, sex tourism, historical tourism, and other tourism segments as a result of the application of the customization concept.

A new segment has emerged in its current development, in which tourists no longer just want to enjoy the attractions offered by a destination, but want to be actively involved in the production process of the tourist products offered at that destination. This new segment is conceptually called as special interest tourists. Tourists in this segment are usually individuals, or groups of people with the same background, profession, or hobby. This segment group will be seeking experiences that are far from their daily routine when traveling. Given of special interest tourism, not just how it consumes the participation of tourists in the production process at a destination, it is necessary to design how this special interest tourism program can be implemented by meeting the needs of tourists in that segment without degrading the quality of the resources used in the tourism production process. A proper planning for special interest tourism will provide several benefits which include:

- The creation of a close relationship between policy and planning in which special interest tourism planning is expected to strengthen the realm of tourism policy.
- Planning for special interest tourism involves a very organized effort that includes rational thinking about the possible benefits and impacts and focuses on local communities in achieving its goals and objectives.
- Planning for special interest tourism, of course, goes through several stages, starting with an inventory of the areas that will be used as locus for special interest tourism, to the provision of a blueprint for its development. As a high integrative process, innovation in tourism resource is expected to be able to provide a proper roadmap in such development.
- The identification and analysis of these specific strategic tourism objects will create a balance between the economic objectives of tourism and the need to conserve the environment and improve the quality of life of local communities.

III. RESEARCH METHOD

This research is focused on examining innovation in tourism resources in Banyuwangi in order to support industrialization and downstream policy toward special interest tourism.

A. Type of Research

This study seeks to provide an overview of tourism resource innovation in order to support industrialization and the down streaming policy in tourism sector toward the special interest tourism. Such policy is expected to generate differentiation strategy which in turn can make Banyuwangi Regency a superior and competitive destination. The approach to be used in this research is a qualitative approach.

B. Access to the Research Locus

The initial carried out in this research is to build access to the tourism industry in Banyuwangi and all tourism stakeholders in it. Access is built with an approach through the Tourism Office and key respondents who understand the tourism development in the region. Then the researcher visited, interacted, and took a closer look at the innovation process in the industry. As it is understood that tourism is a business that must generate economic benefits for the people in a tourism destination, the analysis of the data obtained will be carried out from business perspective.

C. Data Collecting Method

As stated in the previous section about how observations are made through non-participant observation, the researcher will collect research data by conducting interviews both openly and semi-structured to key informants. Apart from interviews with parties directly related to the innovation process, interviews were also conducted with other parties who were not

directly involved in the innovation process, but had a sufficient understanding of the history of tourism development in Banyuwangi Regency.

In this research, the non-participant observation technique has the advantage of seeing the process of innovation taking place in tourism activities. Interactions with parties outside the structure of industry players, on the other hand, will provide an overview of external stakeholders with an interest in the development of the tourism industry, particularly those with special interests, and how the tourism resource innovation process should take place. The interview technique was carried out in an open and semi-structured manner. Open-ended interviews ensure that respondents convey everything from their perspective without any restrictions on the explanations they convey. In another part, semi-structured interviews are applied to lead respondents to speak in accordance with the predetermined research corridors.

D. Data Analysis

This study was designed using a qualitative approach in such a way that all stages in the study were part of the analysis steps of the data collected. Data analysis was also carried out during the preliminary field study. All primary data obtained in this study are in the form of notes during observation, notes when conducting interviews, and transcriptions of the interview results recorded using digital media. Simultaneously, data analysis was carried out on the data collected together with the analysis of the relevant literature. Thus, data is collected and reconstructed to produce meaning and produce theories related to the object being studied.

IV. RESULTS AND DISCUSSION

Banyuwangi Regency is a region located at the easternmost tip of East Java Province. The Regency is directly adjacent to Situbondo Regency in the north, Bali Strait in the east, the Indian Ocean in the south, and Jember and Bondowoso Regencies in the west. Banyuwangi has several tourist destinations that is still wild and green. The region owns various type of tourism destinations, ranging from natural, cultural, culinary, artificial, urban and religious tourism.

The number of tourist spots available in Banyuwangi is certainly a major asset in order to make Banyuwangi Regency a competitive tourist destination that eventually can increase the economy of the locals. There is, of course, unique tourism attractions, which has been widely recognized by the broader community and is a priority to be developed. Being competitive in the industry is certainly increasing the level of tourist visits to the region and this increase has an impact, directly and indirectly, on the local economy. Certainly, this economic improvement cannot be separated from the Banyuwangi government's hard work to develop their region as a leading tourist destination.

The outcome of Banyuwangi 's severity in carrying out development in the tourist industry is evidenced by award for being a city / regency that has clear commitment in enforcing

the governance of tourism quality in 2012 [12]. In addition to their awards, Banyuwangi also has the support of the ministry, where the Ministry of Tourism has promised to help Banyuwangi in developing tourism. These promises include (1) Funding for promotional activities of 1.5 billion with a tourist target of 30,000 tourists, (2) Support for destination development by encouraging stakeholders to go to destinations that are targeted as strategic tourism areas, (3) Development of human resources, especially in tourism sector, and (4) marine tourism studies and marina development studies.

The support and appreciation that has been given to Banyuwangi is certainly an encouragement that can be used as a spur to further enhance tourism development. Particularly in tourism development, Banyuwangi already has a classification of areas included in the diamond triangle zone [1]. Each zone has tourism potential that can be developed as a tourist attraction in order to encourage the economic growth of the locals. In zone one there is the Ijen Crater which has a sulfur crater, zone two has Plengkung Beach which is the center of surfing, and zone three is Sukamade Beach with its turtle captivity. The uniqueness in each of these zones can be Banyuwangi's strength in developing its tourism that leads to ecotourism. Each zone can be described as follows.

The first zone, Ijen Crater, is at an altitude of 2,386 masl. this is the largest crater lake on the island of Java. Ijen Crater is elliptical in shape with a size of approximately 960 x 600 m with a lake water level of about 2140 masl. The depth of Ijen lake reaches 200 m with an acidity level of 0.5 ph which is the most acidic lake in the world. The attraction offered by Ijen Crater is a blue fire that appears at certain times. Other uniqueness are the wide expanse towards the Bali strait and views of Mount Ijen which is adjacent to Mount Merapi, Mount Widodaren, Mount Ranti, and Mount Papak. The readiness of Ijen Crater as a tourist destination is supported by the availability of food stalls and lodging at the last post in the Paltuding area before climbing. Tourists can spend the night in an area that has been provided in the form of a homestay or camping ground. Access to the crater is quite good for various types of vehicles, both two-wheeled and four-wheeled, because it is paved. Tourists can also use the Banyuwangi route to the Licin area and then to the Jambu area, which is about 45 km away. Arriving in the Guava area, tourists can go to Paltuding by motorcycle taxi or rent a car. Arriving at Paltuding, tourists have to walk about 3 km with an initial track of 1.5 km with uphill road conditions. Most of the road to Ijen Crater has a slope of 25-35 degrees with a sandy soil structure.

The second zone is Plengkung Beach. Plengkung Beach or commonly called G-Land is a paradise for world surfers with waves of 4-6 meters from March to October. Plengkung Beach is also included in the seven best surfing spots in the world, earning it the nickname The Seven Giant Waves Wonder. Apart from the immensity of the waves, the natural panorama in the form of a sunset in the afternoon is also an attraction for tourists who come to visit Plengkung Beach. The location of Plengkung is also surrounded by unspoiled tropical forests so that it adds to the natural beauty around it for refreshing. The

location of Plengkung is in the Alas Purwo National Park area so that Plengkung is far from the hustle and bustle of the city and is the right place to enjoy a tour that is far from the crowds. Tourists who want to come to visit Plengkung Beach can use land or sea routes. Via the land route, tourists go to Banyuwangi and then go to Kalipahit by bus. Arrive at Kalipahit to Pasaranyar Trianggulasi then head to Pancur. The last route from Pancur to Plengkung is by special car. By sea, visitors can start from Bali and then use a speed boat. Lodging facilities are also available for tourists who want to spend the night in the area around the beach.

The third zone is Sukamade Beach. Sukamade is one of the beaches which is famous for its turtle breeding in Java. In addition to enjoying its natural beauty, tourists come to Sukamade Beach to get the experience of seeing turtles landing to hatch at night. Tourists who come to Sukamade Beach will be accompanied by a guide who will direct tourists to experience seeing turtles hatch. Female turtles hatch at 19.30 and return to the sea at dawn or 12 at night. The hatching process usually starts from November to March. Tourists who want to visit Sukamade Beach can use public or private transportation with hilly terrain. From the city of Banyuwangi to the City of Pesanggrahan then to Sarongan. Arrive in Sarongan towards Rajegwesi then arrive at Sukamade. Lodging facilities in the form of cottages and camping ground are also available for tourists who want to stay overnight enjoying the beach for more than one day.

Apart from the overview of the three zones in the diamond triangle, Banyuwangi still has other attractions beyond the zones that can also support Banyuwangi tourism activities. There are so many forms of natural, culinary and cultural tourism to draw visitors and raise public opinion. To produce innovative and marketable tourism services, the availability of these natural and cultural resources needs to be matched with the quality of human resource.

Human resources are an important component for managing and driving other resources in tourism activities. The tourism potential in Banyuwangi is already available, so it is necessary to strengthen human resources so that the existing potential can be captured by the community as a business opportunity. The tourism service business is a form of business that has long been developed in several leading tourism destinations. However, for ordinary people, tourism is a new thing that needs to be apprehended more deeply. Therefore, it is necessary to understand tourism knowledge for the community, including those in the Banyuwangi, so that local people understand their functions and roles in tourism development. One of the community empowerment efforts that can be done is to involve the community in every tourism activity, both in terms of management, development, or entering the tourism industry itself as a player. The community can be directed to become entrepreneurs in the tourism sector by running tourism service providers to meet the needs of tourists during their visit to Banyuwangi.

Community participation is needed to build tourism resource innovation in the development of tourist destinations in Banyuwangi. It is crucial to have the tourism potential to accept visitors, but the readiness of the community is more important. The current tourism potential can be handled when the community is prepared and ready to expand. In contrast, if tourism potential is accessible but the community does not understand its position, the development of tourism will not perform well, and visitors may feel alienated because the community is less welcome. Therefore, it is necessary to strengthen human resource capacity along with destination development.

Human resource reinforcement is carried out to assess environmental conditions and community capacities through an observation phase [13]. A governance model is formulated according to the circumstances of the society in each area after understanding the state of the society. The next stage is the socialization of the programs designed in the developed governance model and continued with the implementation stage of the program, such as the formation of the community into micro entrepreneurs or MSMEs in tourism sectors. In addition, in order to be sustainable, monitoring and evaluation of the implementation of community-based tourism activities is required. The expected output is that the community will innovate in providing tourist services and become an autonomous region in developing destinations. The expected outcome of this program is that the effect of tourism activities will provide economic stimulus for both tourism players and other industries.

This is because tourism is a field that has a multiplier effect such that it is not only advantageous to entrepreneurs or tourism stakeholders, but also to other sectors such as agriculture, plantations and other product and service sectors.

V. CONCLUSION

As one of the economic drivers, the development of the tourism sector has promising prospects for regions in Indonesia that have been endowed by abundant gifts of natural and cultural resources. It is important to innovate the resources possessed by a destination that includes natural, cultural and human resources while evolving tourism towards a sustainable downstream industry.

Innovation in this sense is how, while also paying attention to aspects of its preservation, the use of natural and cultural

resource becomes of higher economic value. In the social level, meanwhile, creativity is how tourism can be embraced by the human resources it owns as a transition into a better and decent existence. Innovation in tourism can be realized if local communities can broadly embrace tourism as a new culture and the products it creates can be widely accepted by the tourist.

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