

Strategy Model for Strengthening the Creative Economy Tourism Sector of Karangasem Regency

^{1*}Luh Linna Sagitarini

Tourism Department

Politeknik Negeri Bali

Badung, Bali, Indonesia

linnasagitarini@pnb.ac.id

²Made Sudiarta

Tourism Department

Politeknik Negeri Bali

Badung, Bali, Indonesia

sudiarta@pnb.ac.id

³Ni Wayan Wahyu Astuti

Tourism Department

Politeknik Negeri Bali

Badung, Bali, Indonesia

wayanwahuastuti@pnb.ac.id

Abstract—Creative economy development in Karangasem Regency is the right option to maintain economic resilience in conditions of worldwide crisis. The Creative Economy must be developed because the creative economy has great potential in making a big economic contribution; creating renewable ones; create innovation and creativity which are the competitive advantages of a nation, and it has a positive social impact. Data collection methods contain of internal and external data. Internal data is obtained from the conditions of the creative industry, within the sort of strengths and weaknesses of the creative industry. External data is obtained from opportunities and threats to the existence of the creative industry. The analytical model used at this stage consists of a matrix of internal and external strategies. The results of the analysis of the internal Factor Analysis Summary and therefore the analysis of the External Factor Analysis Summary obtained the worth of every factor, which is including Strength factor value is 2.09; Weakness factor value is 0.85; Opportunities factor is 1.95, and Threat factor value is 0.56. By the calculation results above, the strength value (2.09) is above the weakness value, that reaches to (+) 0.85 and the opportunity value reaches to (1.95) is above the threat value, (+) 0.56. It is also supported by the results of the SWOT diagram analysis, the Creative industry in Karangasem Regency is in quadrant 1, namely the event strategy (growth) to extend product excellence and maintain product marketing.

Keywords— *Creative Economy; formatting; Internal Factory Analysis; External Factory Analysis; growth strategy.*

I. INTRODUCTION

Creative economy development in Karangasem Regency remains faced with various challenges and obstacles. The Creative Economy Master Plan: Indonesia's New Strength towards 2025 identifies seven main issues that pose challenges at the matter of the creative economy, namely creative human resources, raw materials, industrial competitiveness,

financing, markets, infrastructure and technology, also as institutions and business climate. The emergence of the creative economy is predicated on the complex symbol of consumerism which is made through the elaboration of the consumption of high social needs, and isn't based solely on pure consumerism that happens from the consumption of practical and efficient needs [1]. Consistent with the Ministry of Trade of the Republic of Indonesia, the Creative Industry is an industry that originates from the use of individual creativity, skills, and skills to make prosperity and employment opportunities through the creation and utilization of the individual's creative and artistic power. The sort of creative economy is split into 14 industrial sectors or creative economy, namely: 1). Advertising; 2). Architecture; 3). Art market; 4). Craft; 5). Design; 6). Fashion; 7). Film, Video and Photography; 8). Interactive Games; 9). Music; 10). Performing Arts; 11). Publishing and Printing; 12). Computer Services and Software; 13). Radio and Television; and 14). Research and development [2]. The creative economy and therefore the tourism sector are two things which influence one another and may synergize with one another if they are managed properly [3]. The concept of tourism activities are often defined by three factors, such as there must be something to ascertain, something to try to do, and something to shop for [4]. The potential for the event of the creative economy as a driver of the tourism sector in Indonesia has yet to be implemented optimally. The objectives of the research include: 1). Identification of the potential and problems of Creative Economy Development within the Tourism Sector of Karangasem Regency; and a couple of Designing technique that has the goals, objectives and policy directions of creative economy development also as an action plan at the matter of the creative economy of the tourism sector to extend the regional income of Karangasem Regency.

II. RESEARCH METHODS

2.1 *Research Type and Design*

This research is a qualitative descriptive type, with the SWOT method, which suggests that the information collected are then fully described or explained in detail. The research design is a short case study, by observing the gathering of qualitative data and quantitative data to get the specified the strategy model.

2.2 *Research Sites*

This research was conducted on the creative economy potential of the tourism sector in Karangasem Regency which covering the district of Karangasem, Manggis, Abang, Kubu, Rendang, Bebandem and Sidemen.

2.3 *Variable Identification*

Identification of variables utilized in this study: 1. Internal variables including of strengths and weaknesses, those variables are organized from the creative industry managers within the tourism sector, like the contribution of HR Managers, Marketing Management, Management of creative business management. 2. External variables within the sort of opportunities and threats, namely variables originating from outside, like the amount of tourist visits, competitors of comparable businesses, and changes in environmental conditions.

2.4 *Data Analysis Technique*

In this study, the SWOT elements studied were internal and external purchasing factors. Establish a technique by analyzing the general SWOT analysis, which consists of strengths, weaknesses, opportunities, and threats. SWOT Matrix analysis is employed to compile the company's strategic factors. This matrix describes and explains how the external opportunities and threats faced are often adjusted to their internal strengths and weaknesses. This matrix can generate four sets of possible alternative strategies.

III. RESULTS AND OUTCOMES

The potential for Creative Economy Development in Karangasem Regency, additionally to having developed the above 14 sectors, also developed other sectors like the creative industry such the agricultural, tourism, and culinary sectors. This industry is growing rapidly as an industry supported by tourism in Karangasem Regency. The potential of natural resources in Karangasem Regency with its natural beauty has encouraged the expansion of creative industries in the tourism sector like the attractions of creative artificial tourism destinations, the agricultural industry with creatively processed plant cultivation, and therefore the creative culinary industry that

supports tourism. In term of creative industries in Karangasem Regency, it is directed at the expansion of the industry in synergy between interrelated sectors supported by tourism.

Based on the results of observations of the superior potential of Creative Tourism in Karangasem Regency, which including: playhouse, Bali Chocolate Factory Karangasem, Nampo Hill Agrotourism, Underwater Gallery, Amed Snorkeling or Diving, Salacca Home Industry, Ate Crafts, Coconut Shell Craft, Virgin copra oil, Honey Bee, Amed Salt, Weaving Craft, Gold and Silver Craft, Natural Bath and Aroma, Bamboo Crafts, and Popping Comics.

3.1 *The Potential For Developing The Creative Economy*

The potential for developing the creative economy of Karangasem Regency includes:

- (1) Small and Medium Industries, namely: ate crafts, coconut shell crafts, bamboo crafts, Gringsing and Bebali weaving in the creative economy, handicrafts which are very fashionable, very unique souvenirs, distinctive, and have memories of an activity, event, or as a moment of a tourist area [6]; [7]; [8].
- (2) Manufacture of varied foods and beverages made up of salak, such as: salak chips, Sibatana salak wine, Straits, palm sugar craft industry, cashew processing industry. Development of VCO in Sidemen: patchouli oil in Rendang and copra oil in Manggis,
- (3) Specialise in Creative Tourism Development, such Determination of Tourism Villages, Regent's Decree of six Tourism Villages; Creative Tourism Development, like tree houses, chocolate houses, soap houses et al., Gebug Seraya in West Seraya, and Sukasada Ujung Park Development.

3.2 *Analysis of Internal Factors and External Factors*

The main purpose of a SWOT analysis is to optimize the strengths value and minimize the weaknesses value, also to perform the emerging opportunities and overcome emerging threats. The results of the internal and external analysis of creative industries in Karangasem Regency are:

1. Strengths are: (1) Supported by the relatively high creativity of human resources, (2) Optimal use of technology (information), (3) The inter-industry activity linkage is comparatively good, (4) Affordable asking price, (5) Product quality is sweet, (6) Good and varied innovation, (7) Have regular customers, and (8) Availability of strong raw materials.

2. Weaknesses are: (1) the standard system has not been maximized, (2) Marketing of products abroad isn't optimal, (3) Limited capital for business expansion, (4) Lack of use of social media, (5) Limited resources of machines/production tools, and (6) the standard of the workforce isn't maximized.
3. Opportunity are: (1) Products are in demand by consumers, (2) the demand available there are domestic and overseas, (3) Supported by the existence of universities in providing quality human resources and consistent with industry needs, (4) There are promotion opportunities done by the government, (5) The existence of cooperation with other parties from domestic and abroad, and (6) Alternative new development.
4. Threats are: (1) Relatively tight competition with similar industries at national and international levels, (2) staple prices tend to rise, (3) Availability of energy sources tends to be uneven, and (4) Competition for similar products from outside.

TABLE I. IFAS (INTERNAL FACTORY ANALYSIS SUMMARY)

No.	Internal strategy factor	Weight	Rating	Score=Weight X Rating
	Strength			
1	Supported by the relatively high creativity of human resources	0.098	4.0	0.39
2	Optimal use of technology (information).	0.075	3.0	0.23
3	The inter-industry activity linkage is relatively good	0.025	4.0	0.10
4	Affordable Selling Price	0.085	4.0	0.34
5	Product quality is good	0.075	4.0	0.30
6	Good and varied innovation	0.066	3.0	0.20
7	Have regular customers	0.062	4.0	0.25
8	Availability of strong raw materials	0.096	3.0	0.29
	Sub Total	0.582		2.09
	Weakness			
1	The quality control system has not been maximized.	0.095	1.0	0.10
2	Marketing of products abroad is not optimal	0.025	1.0	0.03
3	Limited capital for business expansion	0.056	3.0	0.17
4	Lack of use of social media	0.075	3.0	0.23
5	Limited resources of machines/production tools	0.089	2.0	0.18
6	The quality of the workforce is not	0.078	2.0	0.16

No.	Internal strategy factor	Weight	Rating	Score=Weight X Rating
	maximized			
	Sub Total	0.418		0.85
	Total	1.000		

TABLE II. EFAS (EXTERNAL FACTORY ANALYSIS SUMMARY)

No.	External strategy factor	Weight	Rating	Score=Weight X Rating
	Opportunity			
1	Products are in demand by consumers	0.075	4	0.30
2	Demand is always there (domestic and overseas)	0.110	3	0.33
3	Supported by the existence of universities in providing quality human resources and according to industry needs.	0.103	2	0.20
4	There are promotion opportunities by the local government	0.101	3	0.30
5	The existence of cooperation with other parties at home and abroad	0.110	3	0.33
6	Alternative new product development	0.120	4	0.48
	SUB TOTAL	0.619		1.95
	Threats			
1	Relatively tight competition with similar industries at national and international levels	0.12	1	0.12
2	Raw material prices tend to rise	0.050	2	0.22
3	Availability of energy sources tends to be uneven	0.075	1	0.07
4	Competition for similar products from outside	0.075	2	0.15
5	Covid 19 pandemic	0.0511	2	0.10
	SUB TOTAL	0.381		0.66
	TOTAL	1.000		

From IFAS (Internal Factory Analysis Summary) and EFAS (External Factory Analysis Summary) table can be: strength factor is 2,09; weakness factor is 0,85; opportunities factor is 1,95; and threats factor is 0,66. supported the calculation results above, the strength value (2.09) is above the weakness value, namely (+) 0.85 and therefore the opportunity value (1.95) is above the threat value, namely (+) 0.56. Then it are often seen within the following SWOT Figure 1.

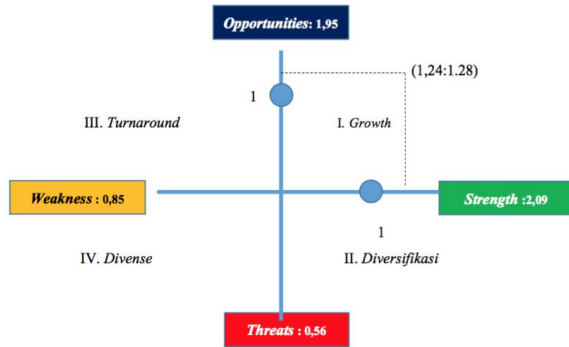


Figure 1. SWOT Diagram

In Figure 1, it's found that the Creative industry of Karangasem Regency is in quadrant I which carries out a development strategy to extend product excellence and maintain product marketing.

TABLE III. STRATEGY BASED ON INTERNAL AND EXTERNAL FACTORS

INTERNAL AND EXTERNAL ASPECTS	Strength (S)	Weakness (W)		
		<ul style="list-style-type: none"> a. Supported by the relatively high creativity of human resources, b. Optimal use of technology (information),. c. The inter-industry activity linkage is relatively good. d. Affordable Selling Price e. Product quality is good f. Good and varied innovation g. Have regular customers h. Availability of 	<ul style="list-style-type: none"> a. The quality control system has not been maximized, b. Marketing of products abroad is not optimal, c. Limited capital for business expansion. d. Lack of use of social media e. Limited resources of machines/production tools f. The quality of the workforce is not maximized 	
			Opportunity (O)	Strategy S-O
			<ul style="list-style-type: none"> a. Products are in demand by consumers, b. Demand is always there (domestic and overseas c. Supported by the existence of universities in providing quality human resources and according to industry needs.. d. There are promotion opportunities by the local government e. The existence of cooperation with other parties at home and abroad f. Alternative new product development 	<ul style="list-style-type: none"> a. HR creativity enhancement to produce products according to market demand, b. Optimizing the use of information technology and communication c. Increased collaboration between creative industry with College, d. Increased collaboration between creative industries
			Threats (T)	Strategy S-T
			<ul style="list-style-type: none"> a. Relatively tight competition with similar industries at national and international levels, b. Raw material prices tend to rise c. Availability of energy sources tends to be uneven d. Competition for similar products from outside 	<ul style="list-style-type: none"> a. Increase creativity and efficiency of both production and marketing. b. Looking for raw materials that quality and price affordable, c. Availability of energy sources adequate and sustainable, including the possibility of using alternative energy sources
				Strategy W-O
				<ul style="list-style-type: none"> a. Maximizing the quality system control, b. Actively participate in trade shows and foreign trade cooperation country, c. Cooperation with institutions finance, d. Looking for alternative sources of business financing
				Strategy W-T
				<ul style="list-style-type: none"> a. There is complete market and marketing information about international market. b. Maintaining market share already mastered (especially loyal consumers). c. Apply the covid 19 health protocol.

3.3 Creative Economy Development Goals and Targets

The goals and objectives of developing the creative economy of the tourism sector include:

- (1). The objectives of developing the creative economy within the Crafts and Art Goods Industry sector are: the belief of a handicraft and art goods industry in Karangasem Regency that's ready to compete in domestic and foreign markets with the aim of building a core competency base for the handicraft and art goods industry and therefore the creation of regional superior products.
- (2). The objectives of developing the creative economy of the tourism sector include: the belief of quality tourism (quality tourism experience), tourism supported the creative economy and therefore the growth of added value of the creative economy which is predicted to be a drive for the economy with the targets to be achieved within the development of the Creative Tourism Industry, including:
 - a) Increasing the added value of the creative economy of Karangasem Regency;
 - (b) Increasing the standard and number of tourist visits to Karangasem Regency;
 - (c) Increasing the competitiveness of the Karangasem Regency tourism destinations and industry;
 - (d) Availability of tourism products as needed;
 - (e) Growing investment and access to finance also as increasing the capacity of the tourism sector and artistic economy of Karangasem Regency; and
 - (f) The protection of property within the tourism and artistic economy sectors of Karangasem Regency.

Tourism is one among the foremost important aspects in advancing the economy, especially in developing countries like Indonesia [9]. The concept of sustainable tourism development in Karangasem Regency are often an answer in handling a damaged environment, increasing area people 's economy and maintain the culture of the local community [10].

- (3). The target of developing the agricultural industry (agro-industry) is to extend the added value of agricultural products and to expand job creation with targets:
 - (a).The belief of a food production center area (agro-politan) oriented to plug forces (market driven).
 - (b).Realization of cultivation business (on-farm) which incorporates the event of upstream agribusiness (providing agricultural facilities)

and downstream agribusiness (processing and marketing) and its supporting services.

3.4 Creative Economy Development Strategy

The strategy for developing the creative economy of the tourism sector includes:

- (1) Strategies for developing arts and crafts include: (a). Improvement of HR capability, (b). Modernization of machinery and equipment, (c). Institutional development and strengthening, (d). Development and expansion of selling networks.
- (2) Strategies in developing the Creative Tourism Industry for the progress of the Karangasem area include: (a). Empowering community participation within the development of tourism and regional culture; (b). Developing tourism products which are environmentally sound, counting on cultural heritage and native natural charms that have high artistic value and are globally competitive; (c). Optimizing the management of tourism and cultural resources as a vehicle for people's economic empowerment to make business opportunities and employment opportunities; (d). Fostering and developing culture as an attempt to strengthen the identity and personality of the nation; (e). Increase research, tourism and cultural development. Sustainable tourism can develop for the higher if it's supported by the creative economy. By this way, the creative economy finds its existence and develops [11]. Sustainable tourism improves the living standards of local communities by minimizing negative impacts within the area [12].
- (3) The strategy for developing the agricultural industry (agro-industry) is: (a) Empowerment of local agribusiness actors, (b). Development of local agribusiness and industrial growth centers, (c). Development of infrastructure and physical infrastructure that supports activities in food production centers (agropolitan), and (d). Preparation of spatial plans for food production centers (agropolitan) in accordance with *regional* spatial plans, especially aspects of residential and industrial areas.

3.5 Action Plan for Creative Economy Development

The action plan for developing the creative economy of the tourism sector includes:

- (1) Improving the standard of professional and competitive creative resources.
- (2) Utilization of easily accessible natural and cultural resources;
- (3) Improvement of competitive, growing, and diverse creative industries.
- (4) Increasing appropriate, accessible and competitive sources of financing.
- (5) Market expansion for creative products.

- (6) Improved infrastructure for the region in order that creative products are easily accessible.
- (7) Institutional improvement that supports the event of the creative economy.

IV. CONCLUSION

Creative economy development in Karangasem Regency remains faced with various challenges and obstacles. In accordance with the results of the study, it identified seven main issues that became challenges for the event of the creative economy, namely creative human resources, raw materials, industrial competitiveness, financing, markets, infrastructure and technology, also as institutions and business climate.

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