

# Strategic Management for Rural Tourism Development in Wanayasa, Purwakarta, West Java, Indonesia

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## *Abstract*

This paper reveals a strategic management case of rural tourism development based on tourism plan in Wanayasa, Purwakarta, Jawa Barat.

Research was conducted in August 2015 with qualitative approaches i.e. interview and focus group discussion. In addition, some of data also produced from secondary sources such as government regulation and official website.

Findings show that the only strength Wanayasa possessed is their ability in capturing projections of external factors, including identification of potential investors for their tourism.

Apart from that quality, it is obvious that their rural tourism development is lack of clear vision & mission, indefinite internal analysis, and chaotic strategy formulation as a result of disorganized planning processes.

With those conditions, it will be tough for them to formulate the true competitive advantage as a basic foundation of their tourism development. Besides, the community and local elites are now tend to expect more in investor funds instead of systematic strategic management by their own.

Key words: Strategic Management, Tourism, Rural Tourism Development, Wanayasa

## *Abstrak*

Makalah ini mengungkapkan kasus manajemen strategis pengembangan pariwisata pedesaan berdasarkan rencana pariwisata di Wanayasa, Purwakarta, Jawa Barat.

Penelitian dilakukan pada bulan Agustus tahun 2015 dengan pendekatan kualitatif yaitu wawancara dan diskusi kelompok terfokus. Selain itu, beberapa data juga dihasilkan dari sumber sekunder seperti peraturan pemerintah dan situs resmi.

Temuan menunjukkan bahwa satu-satunya kekuatan Wanayasa dimiliki adalah kemampuan mereka dalam menangkap proyeksi faktor eksternal, termasuk identifikasi calon investor untuk pariwisata mereka.

Terlepas dari kualitas itu, jelas bahwa pengembangan pariwisata pedesaan mereka adalah kurangnya visi yang jelas dan misi, analisis internal yang tak terbatas, dan perumusan strategi kacau sebagai akibat dari proses perencanaan tidak teratur.

Dengan kondisi tersebut, akan sulit bagi mereka untuk merumuskan keunggulan kompetitif yang benar sebagai landasan dasar pengembangan pariwisata mereka. Selain itu, masyarakat dan elit lokal sekarang cenderung mengharapkan lebih dana investor bukannya manajemen strategis sistematis oleh mereka sendiri.

Kata Kunci: Manajemen Strategis, Pengembangan Pariwisata Pedesaan, Wanayasa

## INTRODUCTION

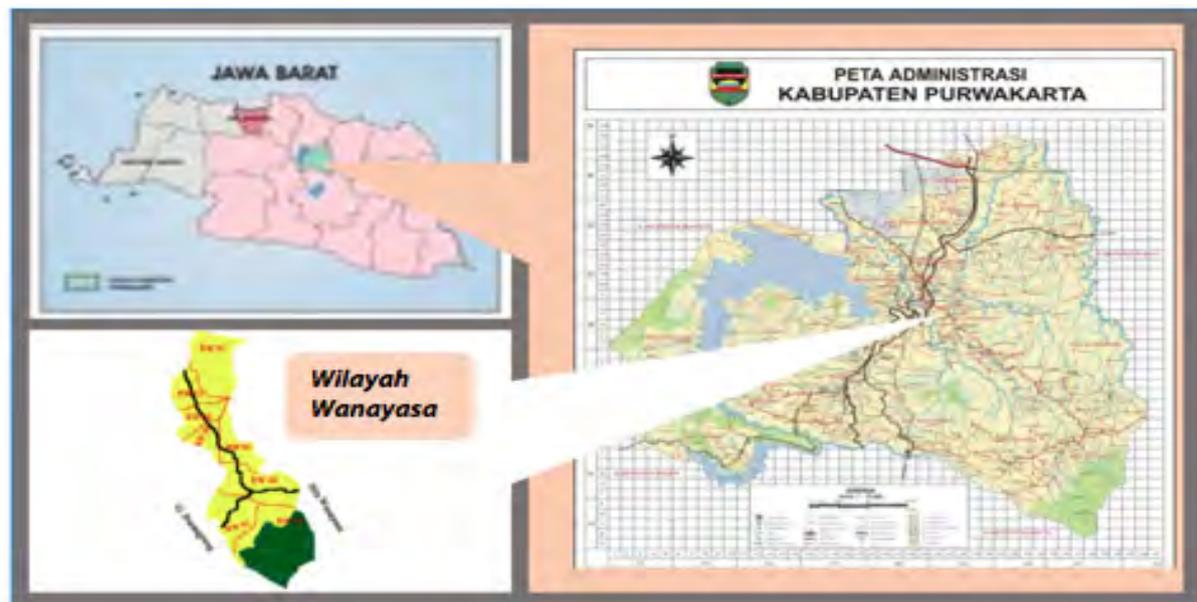
According to Chaudry and Gupta (2010), approximately 75% of the low-income population live in the rural areas. In the tourism context, rural is more than a geographical concept. Indeed, it means a set of values for its different way of living (Oliver and Jenkins, 2005). As a result, rural tourism has often recognized as a tool for rural revitalization. The purpose of encouraging tourism is to increase both welfare and participation of rural community in managing the tourism product. Adding to this, the concept of rural tourism was developed a few decades ago and contributed a new impulsion to the adjustment of tourism as a strategy in regional planning and development. It is believed that while rural tourism will bring economic to the society by generating employment and multiplier effect, it will also bring social benefits by developing educational, social and cultural values (Aref and Gill, 2009). If more tourism can be developed in rural areas, especially in ways that engage high local participation in decisions and businesses, then poverty are likely to be eliminated.

However, developing rural tourism has its challenges. Some researches have found that tourism was developed with little attention to the viability of tourism product, the spill over effects in such rural destinations, or the loss of sustainability in terms of economic, environmental and social value of the site (Adamson and Bromiley, 2008; Murphy, 1985). Many tourist destinations are still neglected the social and environmental costs of rapid tourism development and indeed, have been enforced to implement actions for failing to control tourism development (Inskeep, 1991). In most circumstances, particularly in developing countries, these conditions may be more difficult by political and institutional barriers, such as the administrative complexity, the lack of policy coordination, and low priority provided to rural areas by central municipalities (Okech et al., 2012). Thus, ways to deal with these challenges are needed.

Regarding to this matter, Hall (1998 in Ruhanen 2004) mentions that tourism cannot be allowed without an overall guiding agenda and prearranged strategies toward development goals. While Simpson (2001) states two key requirements to a sustainable approach in the tourism planning: the necessity of multiple stakeholder participation, and a strategic and long-term orientation towards tourism planning. Due to this, the analysis of the strategic management in rural tourism development is important.

Wanayasa is tourism development area (TDA) in the Purwakarta Regency which is a living rural landscape area with enormous potential of natural and cultural resources. It is a district comprising three *Desa* or villages, which are Desa Kiarapedes, Desa Wanayasa and Desa Bojong. The main priority for tourism development is Desa Wanayasa and followed by Desa Bojong and Desa Kiarapedes. According to Tourism Master Plan of West Java, the key elements for tourism development in Winayasa are nature tourism, ecotourism and health tourism. Wanayasa also has high potential to be developed as a cultural tourism which are considered based on its historical places and strong local identity. Regarding to the conditions, the local authorities has made master plans for tourism development in Wanayasa. However, the question has arised that to what extent the tourism strategy and plans in Wanayasa is effective to stimulate rural tourism of the local area and to achieve the sustainable development? Did the local municipalities identify and encourage the strategic management in the process of developing the rural tourism? Therefore, the aim of this paper is to examine the procedures, benefits and also barriers upon the process and adoption of

strategic management at rural tourism destination.



**Figure 1. Map of Wanayasa**

*Source: purwakartakab.go.id*

## LITERATURE REVIEW

### ***Rural Tourism Development***

Rural tourism is simply defined as a type of tourism which takes place in the countryside or outside of urban areas. It is characterized by enjoyment of a tamed nature or highly modified landscape (Aref and Gill, 2009). According to ROUTES (2008), rural tourism can be defined as:

*“Rural tourism is defined in the overall economy of tourism as the economic use of the countryside, natural resources, cultural heritage, rural habitat, local tradition and local produce through certified products and services illustrating regional identity. It responds to the needs of consumers for accommodation, catering, leisure activities, entertainment and other services. It supports local sustainable development and meets the leisure demands of modern society through a new social solidarity of town and country.”*

There are a variety of terms used to describe tourism in rural areas, including farm tourism, agro-tourism, soft tourism and even ecotourism (Simkova, 2007). Irshad (2010) also mentioned the diversity of attractions included within rural tourism is ranging from heritage tourism or cultural heritage tourism, nature based tourism, agritourism, as well as partnership-based approaches, such as scenic byways and heritage areas. In the rural tourism context, the “progress” of regional development is the transformation of the stagnating circumstances of people in the countryside to a lively and exciting one (Ajala, 2014).

Rural tourism becomes very popular both in the developing and developed countries as it has many potential benefits for rural areas. Studies conducted by researchers have found that many rural communities have adapted their local economy to tourism for poverty reduction (Choi and Sirakaya, 2006; Prabhakaran et al., 2014). It is its economically and socially positive impact which allows local community to benefit additional financial sources and create new job positions (Simkova, 2007). Rural tourism also implies economic restructuring in order to accomplish the primary needs of the community and to boost their level of participation in the development process (Ajala, 2014). Hence, the development of rural tourism is necessary to advance living standards of the majority of the world's poor living in the rural areas, create a self-sustaining development and keep productive population (Lele, 1979).

### ***Strategic Management in Tourism Destinations***

Nowadays the global economy, changing market demographics, and technology development are driving destination managers to implement proactive strategies to endure the competitive tourism environment (Formica dan Kothari, 2008). Not only that, Ritchie (2004) and Jonker et al. (2004) also stated that due to the growth of competitor destinations and the quality improvement of established destinations, the tourism market is getting more aggressive. Under this circumstance, major and joined destinations strive with smaller and emerging ones, which means it increases entry barriers to new competitors. Therefore, a constant approach to innovation and to the management of the destination is required (Ana et al., 2010). One of the ways to increase competitiveness of tourism destinations is through strategic management (Tarasionak, 2014).

According to David (2013, p.6), strategic management is “the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives”. While Pechnaler et al. (2006) defines strategic management of tourist destination as the process of modeling the effective performance of its tourist complex for a certain time. The fundamental idea of the strategic management concept comprises long term planning for the development and constant optimal fit between the organization's resources and its opportunities in the changing environment, in order to gain some long-term competitive advantages (Chon and Olsen, 1990; David, 2013). As Pechnaler et al. (2006) states that there are some basic competences needed to manage a tourist destination, which are, the factors, parameters and stages of strategic management with account of the specific character of the tourism industry. David (2013) describes three stages of the strategic management process: strategy formulation, strategy implementation, and strategy evaluation (Table 1).

**Table 1. Stages of Strategic Management**

<i>Planning / Formulation</i>	<i>Implementation</i>	<i>Evaluation</i>
<ul style="list-style-type: none"> <li>• Vision and Mission</li> <li>• External Opportunities and Threats</li> <li>• Internal Strengths and Weaknesses</li> <li>• Long-term Objectives</li> <li>• Alternative Strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Operational Management</li> <li>• Marketing and Budgeting</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewing Implementation</li> <li>• Measuring Performance</li> <li>• Taking Corrective Actions</li> </ul>

*Source: David (2015)*

A considerable amount of benefits may follow from implementing such strategic management for tourism development. It acknowledges for the selection and specification of goals to work towards, a general approach, and a system to monitor and respond to change (Bramwell, 1997). Strategic management may also offer a sense of ownership among stakeholders in the particular objectives and approach, and the chosen framework may encourage stakeholders to control their role and work cooperatively (Simpson, 2001). According to Igaru et al., (2011), the strategic management model may also assist the stakeholders to identify the external environment and the factors affecting tourism activities in a destination by answering “strategic” questions as “where are we?, which way shall we go?, what changes and rhythms exist in the environment?, what course of action contributes to the objectives and goals set?”. Therefore, developing and implementing strategic management that produce results in a tourism industry, are an essential requirement if destinations want to succeed in the future (Evans et al.,1995).

### ***Integrated Tourism for Rural Areas***

In order to understand tourism’s potential for contributing to rural development, the concept of ‘integrated tourism’ must be included (Oliver and Jenkins, 2005). Traditionally, the tourism literature has tended to define it in terms of the extent to which tourism is integrated into broader economic and social development contexts, goals, and decisions. However, in more recent literature, the importance of local participation and control is emerging, with integration defined according to the percentage of local people employed, the type and degree of participation, decision making power and ownership of resources in the local tourism sector (Mitchell and Eagles 2001 in Oliver and Jenkins, 2005).

Integrated tourism can be defined as tourism that is explicitly linked to the economic, social, cultural, natural and human structures of the localities in which it takes place. In practical terms, it is tourism which has clear connections with local resources, activities, products, other production and a participatory local community. In their research about integrated tourism in Europe’s Rural Destinations, Oliver and Jenkins (2001) found seven indicators which have been identified as being significant in integrated rural tourism development. These include:

*Networks* : the ability of people, companies and agencies in the settlement to work together on the development and management of tourism

*Scale* : the level of tourism in one area as regards the distribution over time and geographically, bearing in mind all the thresholds related to the carrying capacity of the area

*Endogeneity* : the extent to which tourism is recognized as it is based on realistic resources of a region

*Embeddedness* : the role of tourism in politics, culture and life of the whole area and the population as a local priority.

*Sustainability* : the extent to which tourism does not harm and possibly improves the environment and environmental resources in the area

*Complementariness* : the extent to which tourism provides funds to those who live in the local area, although they are not directly included in tourism

*Empowerment* : a measure of political control over the tourism industry through ownership, law or planning, especially the control implemented at the local level

## **METHODOLOGY**

### ***Data Collection***

The research was conducted in August 2015 which covers 3 villages that are purposed for rural tourism development: Kiarapedes, Wanayasa and Bojong. The primary data collection were conducted in qualitative approach, which involved interview and focus group discussion (FGD) methods with related stakeholders and some groups of community. This study requires stakeholders whose interests, importance, and influence are the key to build the model. Interview and FGD were conducted to 120 respondents which comprises representation from 6 (six) different groups, including:

- village headman of Kiarapedes, Wanayasa and Bojong;
- local authorities in Purwakarta region;
- representative of local entrepreneurs;
- representative of tourism institution;
- representative of educational institutions;
- representative of local community.

Whereas, the involvement and participation of local people was known by their opinion, perception and aspiration towards tourism development in Wanayasa with participation on project identification, planning process, implementation, monitoring and evaluation. Finally, all the information from local community were gathered, confirmed and compared with the information from the other stakeholders in focus group discussion. The focus group discussion were conducted in order to get more comprehensive information about strategic management of tourism development in Wanayasa.

## ***Data Analysis***

A qualitative content analysis was chosen to analyse many words of texts, which are transcribed from interview and focus group discussions. Content analysis is a technique for compressing large amounts of data from the interviews, field notes, and various types of sources into systematic and fewer categories of text which is based on specific rules of coding (Steve, 2001). Many previous studies have shown that content analysis can be a useful method for allowing researcher to discover and describe the focus of individual, group, institutional, or social attention (Weber, 1990). In this study, the crucial process in content analysis is categorising some key words from the given texts into certain themes.

## **FINDINGS & DISCUSSION**

In recent years, Wanayasa has become a focus of rural tourism development and an alternative to mass tourism in the region, especially since the local governments have successfully developed Purwakarta regency as tourism destination that attracts many more tourists in West Java. In addition to the attractiveness of its landscape, Wanayasa Lake is a popular attraction for some people and also one of the culinary centres in Purwakarta. However, if it is considered as a tourist destination and compared to the tourism potential of other surrounding rural territories, Wanayasa has some barriers that make it difficult to grow and compete. First, the famous lake, which is the leading tourist destination in the area, is not phenomenal and iconic. In addition, it is often visited only on the weekends and with repeated visitors. Second, although equipped with a variety of natural features, yet nothing special from any of it, whether the tea plantations, hot springs or the bicycle tracks. Indeed, some of the most visited attractions in the region belong to other territories. Third, it is difficult to be fascinated by their cultural resources as it is hardly distinctive with other culture. Fourth, the difference between expectation at the top level with the reality at the grassroots level indicates that there is a wide gap in terms of tourism management.

Following the logic of business as usual framework of the analysis Wanayasa tourism can be compared with the essential components of strategic management, which often equates with strategic planning (see David 2013: 35). But it is precisely where there lies the main problem. Strategic planning only represent aspects of the formulation, while it takes not only a plan on paper, but also displays the details of the implementation and the guide to make an effective evaluation process for continuous improvement. As Wanayasa has not yet reached the stage of implementation, the analysis is only conducted to the first aspect of strategic management, namely planning.

Based on this analysis, Wanayasa as rural tourism area still has a gap in the planning. Although an understanding of the external conditions have been established, but a failure to recognize the major power becomes a source of discrepancies in strategy formulation. Another problem is the difference in the vision of the provincial, district, village elite and community.

**Table 2. Strategic Management Analysis of Wanayasa**

<b>Strategic Management Indicators</b>	<b>Ideal Condition</b>	<b>Wanayasa Condition</b>
Vision and Mission	Have a clear vision and mission that corresponds with the current conditions and expectations in the next 5-10 years	There is no clarity in directing the development of tourism for the region Wanayasa. Indeed, there are differences in vision and mission of the provincial, district and community. While the provincial government wants Wanayasa as natural attractions, the local municipalities of Purwakarta directs it to cultural tourism, and people in the lower level just follow the direction that feels most profitable.
External Analysis (PESTEL)	A clear understanding of the assessment of the opportunities and challenges from external factors which encompasses the Political, Economic, Social, Technological, Environmental, & Law aspects.	The most prominent external analysis is reflected only on economic factors, which is the plan of investors for tourism development. The other thing to note is the awareness of local community about the strategic geographical location of Wanayasa as an alternative pathway to Bandung and Jakarta. From a legal perspective it looks like they can map that most of their territory controlled by Perhutani (forestry department), either Purwakarta or Bandung. In conclusion, the assessment of the external environment has been mapped though not thorough and systematic.
Internal Analysis	Be able to conclude about the strengths and weaknesses in order to compete by emphasizing on the competitive advantage	The main weaknesses in the strategic management of Wanayasa is on this section. Stakeholders seem disagree about their strengths and weaknesses. Moreover, the competitive advantages does not lead to the same direction between local government, the elite and local community.
Long-term Objectives	The availability of long-term strategic alternatives to maximize opportunities and strengths, while overcome the challenges and weaknesses	With the vision and mission that does not correspond at all levels and the formulation of competitive advantage that is not clear, the desired strategy become ineffective. The local region authorities has launched some programs to accelerate the rural development for heritage and cultural tourism. While the public and the elite community has led the development to nature-based tourism. This lack of coordination makes the strategies for Wanayasa has become not convergent and would clearly detrimental to long-term goals.
Alternative Strategies	Develop the main strategy which is made by a series of considerations	The communication between multiple stakeholders during is not well established, either between one village to the other; village and region; as well as village with investors. There is no strategy that can be selected due to the formulation of the strategy that is unclear. In the end, both the community and the local government has handed over the tourism development of Wanayasa tourism to the investors.

## **CONCLUSION**

Although potential, Wanayasa needs a special breakthrough and a lot of improvement in order to be competitive and highlight all of its advantages as a rural tourist destination. Does not mean that the three village development plans in Wanayasa are completely failed (proven there are some elements that are already qualified). Tourism planning must not only

focus on how community involvement or projections of the local government, but how it is holding on the formulation of a more qualified to center the internal and external analysis. In addition, the proposed vision and mission should also be the same, either from the provincial government, district, village and also at the elite level of society. In fact these flaws can also be easily examined from integrated models for rural tourism. That is, it should be evaluated on rural tourism development plan in Wanayasa which has been running. Only with such measures appropriate strategies can be formulated for the development of rural tourism as Wanayasa.

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