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### THE ANALYSIS OF FACTORS AFFECT TO TOURISM PERFORMANCE IN NORTH SUMATRA

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#### **ABSTRACT**

Generally, the tourism industry moved very rapidly after World War II, when in 1970 the growth of the trade and industry sectors, has been experienced a downturn. Since, it has been calculated by the 2000s, the tourism sector will become the largest industry. The tourism industry is a tourist destination (DTW) has become one of the leading industries for increasing to local revenue (PAD), which is beneficial for the development and prosperity of the community. This study aims to prove empirically such as the effect of strategic partnerships on tourism performance, the effect of competitive advantage on tour performance, and the effect of strategic partnerships and competitive advantage on the tourism performance in North Sumatra. The research method used descriptive and verification. The unit of analysis is the tourist destination in North Sumatra. Data sources were analyzed using primary data collected through research instruments. Furthermore, the data were analyzed using the multiple regression analysis method. The results proved that strategic partnership and competitive advantage are partially and simultaneously affect to the tourism performance in North Sumatra

#### **INTRODUCTION**

North Sumatra is one of the destinations for foreign tourists in Indonesia. The number of foreign tourists visiting Indonesia over the past ten years shows an increasing trend and in 2016 and also highest visit. In 2016, the number of tourists visiting Indonesia reached 10,811,281 people, an increase on 11.35 percent compared to the number of tourists in 2015 (BPS North Sumatra, 2017).

Tourism sector plays an important role in the economy of North Sumatra, both as a source of foreign exchange earnings as well as job creation and business opportunities. This is in line with the opinion of Lovelock and Lauren, 2002

which stated that the service sector has recently experienced very rapid development through the tourism service sector. The tourism sector in terms of economic and social culture can create investment, increase people's income and the quality of life in the community. In order to improve the people's welfare, the development of regional tourism and life outlook, then environmental quality must be maintained. The development of tourism is carried out in line with the development programs of various industries, both small, medium scale, and also the tourism industry on a large scale also benefits.

Empirically tourism is not only a phenomenon of human mobility from one country to another, but also a displacement of the mass community. There are holistically encompassing for social, cultural, economic, ecological, political, health, technology, defense and security dimensions. Tourism as a whole for multidimensional entity, therefore it requires coordinative cooperation between the government, industry players, non-profit organizations, and the community. The tourism industry is a collection of tourism businesses that are interrelated in the context of producing goods or services to meet the needs of tourists about organizing tourism (Article 1 number 7 of law no. 10 of 2009). It means that all kinds have forms such as tourist attraction and unique resources including the strategies carried out are the factors needed in the organization, development, and improvement of tourism.

The tourism industry through the tourist destination (DTW) and tourist objects incorporated. It can be a driving locomotive for the 3 impetus about the progress of other sectors, such as repairing sea or air ports, roads, local transportation, hygiene or health programs, cultural projects, environmental preservation pilots, and so on. It can provide benefits and enjoyment for the people around the tourist destination. No wonder that at this time many regions are encouraging business actors in the field of tourism to continue to boost the activities for tourist destination as much as possible in order to bring in lots of tourist visits.

Strategic partnerships play a macro role in adapting internal and external environments in the context of global competition. By understanding each other's interests are tailored to the needs of a destination, partnerships with related networks for the distribution of information and to improve tourism services, which allows a DTW to have the ability and also to complement each other as a competitive advantage. Strategic partnerships have many benefits for organizations are include funders, the provision of supporting infrastructure, maintenance of tourist objects and others, all of which become one part of the resources owned by the destination and become a unified by product of a DTW. It should have for all parties involved by the people in the environment around tourism, managers and the government as the licenser of management conduct a strategic partnership to improve tourism. According to Uddin and Bilkis (2011) stated that strategic partnership is important in the goal of superior competing with other company, where in partnership can overcome the limitations of the company such as the ability and resources in a company.

Government efforts through Kemenparekraf in boosting tourism competition in regency / city / provincial governments in Indonesia continue to be promoted with a variety of program activities in addition to providing budgets, also

through various types of awards. One of them is conducting studies to provincial, district and city governments through an assessment of several aspects such as aspects of guidance on governance, program aspects and budgeting for tourism, aspects of community empowerment in tourism, aspects of economic development, and aspects of field assessment. The assessment was stated in the Travel Club Tourism Award.

According to Spulber (2009) said that the ability of companies to create and capture value depends on the strength of competition and the characteristics of the company. Thus, there are three sources of competitive advantage: (1) cost efficiency that makes more efficient use of company assets and input suppliers or suppliers whose prices are lower; (2) product differentiation to increase customer profits; and (3) transaction innovations that reduce transaction costs or create new combinations of customers and suppliers. To increase the company's competitive advantage, it is was combining assets, capabilities, policies and cooperation, which is called by a strategic partnership. Strategic partnerships are considered as important sources of resources through learning and sharing, thus will have a competitive advantage in the competitive business world.

A company with a competitive advantage will consistently outperform competitors, it gains a greater economic advantage (Spulber, 2009). A company's performance is able to increase its competitive advantage (Tailor, Rosemann and Prosser, 2010). Continuing what was expressed by Tailor, Rosemen, and Prosser that performance is a unity with competitive advantage due to an increase in competitive advantage as well as having an impact on improve about performance.

Based on the description above, it is necessary to study and analyze more deeply about the effect of strategic partnerships and competitive advantage on the tourism performance in North Sumatra.

## **RESEARCH METHOD**

### ***Research Design***

This type of research is descriptive research and verification research carried out through data collection in the field by distributing questionnaires and interviews. The observation unit was foreign tourists visiting more than once (guest repeaters) and tour managers.

### ***Operationalization Variables***

Strategic partnership (X1) is a process begins by establishing a strategy to the achievement of partnership synergies so that they become competitive (Mitchell and Shortell 2000; Lasker, Weiss, and Miller; 2001).

Competitive advantage (X2) is a customer perception that how companies make efforts to excel compared by competing companies in the form of the amount on value delivered to customers (Longenecker, Moore, and Petty, 2003)

Tourism performance (Y) is performance measures about an organization from financial and non-financial aspects (Diana, Balaure and Veghes, 2009; Othman and Rosli, 2011; Chong, 2008; Haber and Reichel, 2005; Kotler and Keller, 2012).

### ***Data Source***

Based on the source, the data can be divided into two, primary and secondary data. Primary data is data obtained from empirical direct research to direct actors or those directly involved using certain data collection techniques in the form of survey results through questionnaires distributed to managers of tourist destinations and tourists visit destinations in North Sumatra. While, for secondary data is obtained from other parties or research results on other parties in the form of published data, data from the statistical center agency, the Ministry of Tourism and Creative Economy, the Culture and Tourism Office in North Sumatra and the results of previous studies.

### ***Sampling Method***

The population is the unit of observation to entire tourist destination in North Sumatra. Based on the results of the documentation study, it is known that the attractions included in the leading tourist routes numbered by 30 tourist sites. Sampling in this studies are using incidental.

### ***Research Instrument Testing***

Before the questionnaire is distributed to the field, testing of research instruments is first carried out through validity and reliability testing. This validity test is by correlating each statement score for each variable with the total statement score. Furthermore, a positive correlation number means that the data is valid. The correlation method used is the product moment correlation. From the correlation score about the t-value was searched, then compared with the t-table value. If  $t\text{-count} \geq t\text{-table}$ , so the item is valid. Furthermore, to determine the reliability or absence of research variable data used, it is seen the value of the reliability coefficient through Spearman-Brown (t-tot). Based on the Spearman-Brown r-reliability value, the t-value will be searched, then compared with the t-table value. If  $t\text{-count} \geq t\text{-table}$ , the item is reliable.

### ***Analysis Method***

#### **1. Analysis Techniques**

Multiple Linear Regression Analysis is used to find out how much influence the independent variable, strategic partnership (X1), and competitive advantage (X2), on the dependent variable, tourism performance (Y). The multiple linear regression equation is as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2$$

Noted:

Y = Tourism Performance

$a$  = Constanta  
 $\beta$  = Coefficient regression  
 $X_1$  = Strategic Partnership  
 $X_2$  = Competitive Advantage

Before analyzing the data through regression analysis, the classic assumption test is performed first.

### *Hypothesis Testing*

T-count test is used by the independent variable such as strategic partnership variable ( $X_1$ ) and competitive advantage ( $X_2$ ) partially influences to the dependent variable that is tourism performance ( $Y$ ). While, the F-count test is used by the independent variable is the strategic partnership variable ( $X_1$ ) and competitive advantage ( $X_2$ ) jointly affect to the dependent variable, such as tourism performance ( $Y$ ).

### *Coefficient of Determination ( $R^2$ )*

The coefficient of determination shows that the amount of contribution about the independent variable ( $X$ ) to the dependent variable ( $Y$ ). Where, more the value of coefficient for determination, better than the ability of independent variable to explain each variable. If a determination gets closer to 1 (one), then it can be said that the greater of the influence for independent variable such as strategic partnership ( $X_1$ ), and competitive advantage ( $X_2$ ) on the dependent variable, such as tourism performance ( $Y$ ).

## **RESULTS AND DISCUSSION**

### *Strategic Partnerships Effect to Tourism Performance*

Based on the results of the study showed that strategic partnerships affect to the tourism performance in North Sumatra. This is indicated by the t-count value of the strategic partnership variable = 2.198 > from the table = 2.048, so it can be concluded that the strategic partnership influences to the tourism performance. Furthermore, the significance value on  $0.034 < \alpha = 0.05$ , it can be concluded that the strategic partnership variable has a significant effect on the tourism performance. This shown that the better management in this strategic partnership will affect to the tourism performance. Strategic partnerships affect to the tourism performance by 30.3%, this shown that a low influence. Strategic partnerships in the category are quite profitable at 63.83%, so the managers of tourist destinations in North Sumatra must adapt to their abilities and existing partners, in terms of the language used by skills needed in an effort to establish good communication with partners. Furthermore, the manager must also provide commitment and trust to partners, so as to facilitate partners in carrying out their work. The opinion from Bovaird (2004) said that strategic partnerships can contribute to competitive or collaborative advantages by providing economies between scale and economic scope in the provision of certain services or activities, and opportunities for mutual learning between partners.

### *Competitive Advantage Effects to Tourism Performance*

Based on the results showed that competitive advantage affects to the tourism performance in North Sumatra. This is indicated by the t-count value of competitive advantage variable = 3,390 > from t-table = 2,048. So, it can be concluded that competitive advantage influences to tour performance. Furthermore, the significance value of  $0.002 < \alpha = 0.05$  can be concluded, so the competitive advantage variable significantly influences to tour performance. This shown that managers who have a competitive advantage will affect to the tourism performance. Competitive advantage affects to the tourism performance by 45.7%, this shows a low influence. Overall, competitive advantage is still quite high in 63.09%. This indicates that managers must increase their competitive advantage by focusing on how to provide unique services, providing bonuses, pleasant experiences, and prices with the cost and time sacrifice of tourists when traveling. This is suitable statement from Spulber (2009) stated that to attract customers from competitors, companies must provide sufficient customer value. In addition, Barney and Hesterly (2010) stated that companies in having competitive advantage must be able to provide economic value more than existing for any competitors. The opinion of Walker (2009) and Astuty (2012) which states that there are two main elements in competitive advantage, such as positioning of the product more effectively than competitors, and maintaining the position of market resources against competitors.

### *Strategic Partnership and Competitive Advantage together Effect to Tourism Performance*

Based on the results are shows that strategic partnership and competitive advantage effect to the tourism performance in North Sumatra. This is indicated by the calculated F value > F table,  $34.603 > 3.35$ , and a significance value of  $0.000 > \alpha = 0.05$ . Furthermore, the effect between strategic partnerships and competitive advantage on tourism performance by 77.7% and the rest is explained by other factors at 22.3%, which were not examined in this study. Overall, the tourism performance in North Sumatra was quite good in 66.09%. This indicates that the financial and non-financial condition of tourism performance is not optimal with the assumption. If the performance is high then the level of income, profits and market share will also be high. This is because strategic partnerships are still in quite profitable category as well as competitive advantage.

### **CONCLUSION**

Based on the results of research and discussion, this research can be concluded as follows:

The strategic partnership of tourist destinations in North Sumatra is quite profitable. But in aspects, awareness between partners, conflict between partners, shared strength, leadership, management, governance, community characteristics, and organizational openness must be maximized. The competitive advantage of tourist destinations in North Sumatra is quite high. There are factors related to excellence, especially in terms of bonus giving, cost sacrifices, time sacrifices, and pleasant experiences that still need to be addressed. The tourism

performance for destinations in North Sumatra is quite good. However, there are factors that still experience some obstacles, including a decrease in the number of visits, return on investment, and the occurrence of problems for employee exchange program.

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