

# The Development of Tourism and Small Scale Entrepreneurs: The Search for Linkages and Strategy

By Frans Mardi Hartanto

Tourism is becoming a big business in the world, especially in Eastern Asia, and its contribution to the national economy has increased significantly for many countries. The government of those countries have recognized the significance of this sector to the national economy by promoting its growth. However, while promoting tourism, people tend to neglect the real nature and context of this sector. People tend to be more interested in the glamour, beauty, luxury and good life that are usually related to tourism.

We cannot deny that tourism has to do with the better part of life, but good life needs to be understood in light of its context. Increase mobility and affluence have led to more extensive and extravagant travel. Tastes have changed, certain areas and facilities have become outmoded, and competition within the industry has intensified.

These changes have to be understood in relation with their context, in order to be able to create a viable long-term tourist industry that can encourage local initiative and participation, distributed local benefits, and tourism products and services that are in harmony with the local physical, social and culture environment, including with the local people. Mass tourism is more than an increased volume of visitors; it has come to mean a myriad of manufacturing and services businesses which combine to offer a travel experience through scale economies and mass-merchandising. Rapid expansion tended to overshadow growing problems, but as the competition grew more intense, the problems of

certain destinations and stress within the system due to the inability to meet the needs of the tourists could not be denied.

Our inability to provide the tourists with services and products that they really need is due to the fact that we are flawed and only have fragmentary information and distorted images of the real world. These images are our perceptions (Gould & White, 1974). Since we differ from each other, some regions are considered to be very favorable while others are not; the differentiation is also fairly consistent (Mayo, 1973). The dominant attributes people use to sort these mental images are often related to cost, climate, scenery, personal safety, and sanitation, and thus can have important bearing on the choice of destination (Anderson & Colberg, 1973; Crompton, 1979; Murphy, 1985). Therefore, it is very important that tourist organizers know about the conditions and opportunities that exist within their reach could motivate tourists to make their regions as the destination of choice.

In order that host communities can get the most benefits from tourism, several issues of the tourism business have to be identified and understood in depth. Those issues are related to (1) the development of the potentials of local entrepreneurs that can be linked to support the growing tourist business in the host region in a positive way, (2) the development of a network among the local entrepreneurs and the tourism organizers that can enhance maximum participation, (3) the matching of tourists motives and local potentials that can create satisfaction for both parties, and (4) the creation of a tourist destination that has inimitable competitive advantages based on the high culture of the host community. These issues of the tourism business have to be considered carefully, and the policy, concept, approach, and

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action plans related to its solutions have to be carefully prepared.

Present tourism business practices tend to bundle the visit itinerary into neat packages, neglecting some of the important issues that are just mentioned here. Consequently, the tourism business is not able to develop a synergistic relationship with the local and small scale entrepreneurs, resulting in limited or, even, counter-productive performance that will leave the tourists in a dissatisfied state and will make the tourism business become isolated from the host community. This paper will attempt to clarify these issues and present alternative ways that can be used to overcome them.

### **The Potentials of Local Entrepreneurs in Serving the Tourism Business**

People who are in charge of tourism business have to have good understanding of the underlying factors that motivate tourists to spend some of their leisure time in a certain region, and see whether they can be genuinely accommodated without sacrificing the identity, independence, and economic competitive advantage of the host community. It is unfortunate that sometimes a host community unknowingly subjugate their services and products to the hedonistic desires of the tourists, because they assume that those are the real needs of the tourists, while, in fact, these same tourists expect something that is unique and is part of the heritage of the host community. Local entrepreneurs usually do not know their own potentials or underrate the value of those potentials. Because of that, they tend to create some services or products imitated from other tourist destinations, to be offered to the tourists.

Tour organizers tend to assume that tourists like things that are glamorous, expensive, or luxurious, because they frequently make the wrong assumption that tourists are rich people. We cannot neglect that some tourists are indeed looking for those luxurious services and products, but this is not the rule. For example, sometimes tour organizers are offering luxurious, while the facts show that most tourists are ordinary workers who look for some affordable leisure time in a quiet place. Many tourists are travelling with their families, requiring decent, clean, and efficient accommodation, but, instead, host communities frequently offer five star accommodations. Host communities expect tourists to spend as much as possible while they are staying with them. However, it will be more beneficial for the host communities as well as the tourists, if the tourists are willing to spend more by buying a lot of different, decently priced services and products in limited numbers that are already included in the tour packages. It is also important to make the tourists become satisfied with

the sights, actions, and hospitality offered by the host country, since we may not neglect that satisfied tourists can become the best promoters.

In order to be effective, tour organizers have to take the necessary actions that can give them a better understanding of the needs and motivations of the potential tourists, arouse travel awareness among them so that they can fully enjoy the tour, and understand their attitudes toward certain tourists' products and services so that an appropriate tour itinerary can be prepared. There are indeed some common needs that are expected by anyone going on a tour, such as a clean and safe environment, no hassles with the bureaucracy, and easy access to the place of destination. Unfortunately, most of the other needs are not universal in nature. These needs are usually determined by the cultural background, sex, age, education, and economic status of the tourists. It is also determined by the way the tourists travel, whether he/she travels alone or with his/her family. The length of time a tourist is willing to spend at the tourist destination will also influence the tourist expectations.

International tourists, especially those coming from the more advanced industrial countries frequently like to see something unique in the countries that they visit, but they also want to see them in the original settings. However, they usually lack the time and the resources to see the original happenings. Tourist organizers in the host country usually organize traditional ceremonies artificially so that they can be shown to these tourists. While this is a good practical solution, they tend to forget to pro-actively promote traditional ceremonies as something worthwhile to see when those ceremonies are genuinely performed at a particular time and place that conform with the implementation of a particular cultural tradition. Tourist organizers are too pre-occupied with organizing tourist attractions and products in simple, but frequently expensive packages, but fails to recognize that this way of doing business may dilute their own heritage and identity, and on the long run, reduce the competitive advantage of the region as a unique and cost effective tourist destination. But more importantly, from a business perspective, this way of managing tourism tends to limit the participation of local entrepreneurs in the tourist business, because only selected groups of artists, merchants, and producers are taking part in the deal. The host community does not have a significant role in the tourist business activities either, and, in some instances, is even isolated from the tourists. For certain tourists, especially those coming from countries that have a collective culture, such as Japan, Korea, Taiwan, or Indonesia, the most preferred way of travelling is in groups that have a clear, definite travel itinerary; complete tour packages are usually

considered to be appropriate to be offered to them. However, tourists coming from western countries tend to prefer travelling based on individually arranged travel itinerary which usually includes a chance for adventure and more contact with the host community. They usually are more willing to make the necessary sacrifices in time and resources to see culture performances carried out in their traditional settings, which sometimes involve a rigorous travel to remote areas that do not have adequate infrastructure and accommodation facilities. Wall (1978) stated that not all tourists are distance minimizers, which frequently is the rule in ordinary economic transactions. Tourists are frequently willing to go extra mile to see something new and exotic. They also tend to have a better affinity with the host community. Tour organizers should be able to distinguish these differences and adjust their way to organizing the tours accordingly.

These examples show that managing tourism requires a lot of vision and sensitivity that can detect the subtle differences among tourists coming from different parts of the world. Domestic tourists also have their own preferences that have to be catered for. Besides that, the buying decisions of tourists are different in many ways. Mathieson and Wall (1982) identified these following peculiarities:

1. The tourist product is an experience rather than a good - Tourists purchase souvenirs and gifts on their trips, but these usually represent only a small proportion of total expenses;
2. Expenditure is often substantial - The purchase of a tourism package involves much larger monetary outlays than most other consumer purchases;
3. Purchases are not usually spontaneous - Trips are normally carefully planned, particularly in terms of expenditure;
4. Unlike many other products, in the case of tourism, consumers visit the site of production, rather than the good being transported to the user - For the tourists, the trip by itself is part of the intangible things that they want to purchase;
5. Most tourist products are highly perishable - Unlike many products, which can be stored and sold at a later date, the tourist supplier has a product which usually cannot be stored; if a hotel room is not occupied on a particular night, that rental opportunity is lost and cannot be replaced. In other words, tourist products frequently include "time" as an integral part of the commodity.

These peculiarities have to be observed by the tourist suppliers, and their products and services have to be carefully adapted to them. This is not an easy job, it requires competence, hard work, and visions about

the tourists as well as about the local potentials, including their identities.

Linking small-scale, local entrepreneurs to the tourist business, requires a decentralized approach that provides the entrepreneurs with direct and open access to the tourists. This will also mean that the tourists ought to have more freedom to make their own choice of what to buy or see, while at the same time, encourage local initiative and participation. Decentralization also means that more tourist activities have to be performed at the production sites of those services and products. If this is the case, careful planning of the travel itinerary, transportation, and telecommunication system from the place where the tourists stay to the production sites is of utmost importance, in order to prevent overcrowding, miscommunications, and conditions that will disturb the social and work-life at the production sites. Local communities living around the production sites have to be made aware of the happenings and should be motivated to participate in the tourism means that tour organizers have to adapt their tour itinerary to the agenda of activities of the host community.

As the host community can preserve its autonomy to determine its own agenda of activities, the community will also have the opportunity to work and live according to their aspirations and preserve their identity. On the other hand, tourists will also go through a truly unique experience that could become something to remember. Participation of the host community will not be limited to those businesses related to product and services that are directly linked to the tourism, but can include other products and services, such as operating restaurants, souvenir shops, car or bicycle rentals, and photographic services, that are easily accessible and provided in adequate numbers, can support and strengthen the tourism industry. However, such services and products have to be of the highest quality and modestly priced. This can be achieved by encouraging fair competition among the merchants and producers. Host communities that can provide good supporting business activities could also make the destination area preserve its attractiveness.

If the host community can preserve its identity and determine its own agenda of activities, which will probably include special events, ceremonies, or festivals, that would be of interest to tourists, it can also make tourism more profitable for the industry and community by creating out-of-season visits. Such attractions, especially if they have traditional roots, can lure a lot of visitors, because they are usually unique and cannot be easily imitated. Some of those attractions have developed into national or even international events, which are capable of generating mini-seasons of their own. Gartner and Holecsek (1983) also found out that annual expositions can

bring substantial economic benefit to the community. However, the host community can only get the most benefit, if it can arrange that such expositions will also promote the community's tourism products.

### **Creating Synergy Among Local Entrepreneurs in the Tourist Industry**

We cannot deny that local entrepreneurs have a lot of potentials that can be developed into an economic force in the tourism business. However, these potentials cannot be realized, if they are not well-matched with the need of the tourists. The problem is the fact that local entrepreneurs do not have good access to potentials tourists. Consequently, they do not have accurate, up-to-date information about the tourist market. Tour organizers should fill this gap. However, they should not do this by forcing the local entrepreneurs to abide to their plans and norms or by arranging tours that will limit the freedom of the tourists to make choice of what to buy or see.

Tour organizers are expected to bridge the gap between the needs of the tourists and the potentials of the local entrepreneurs. Tour organizers have to be market oriented, meaning that they have to present their products in such a way that they could meet the expectations of the tourists. However, tourism organizers must have roots in its community too, meaning that they must act in ways that reflect their concern for the long-term viability of the local entrepreneurs. In other words, tourism organizers are expected to play the vital role of marketer of the community's tourism products.

Murphy (1985) proposed the use of a community approach to tourism management to produce the community tourism products, which like the traditional tourist product will be an amalgam of the destination's resources and facilities, but in this case it is one with the community, as a whole, wishes to present to the tourism market. The prime consideration in any planning or management scheme using this approach is what components to consider. In this case, environmental and accessibility considerations are assumed to be the most vital, because of the industry's dependence on this resource base and connectivity with tourist-generating areas. The presence of resources and a potential market, however, do not necessarily make a viable industry, so business and economic considerations need to be considered next. In addition, the fact that tourism is so dependent on local hospitality makes it mandatory that development proceeds in accord with the desires and customs of local people, thus social and cultural considerations need to be included. Finally, management of a community product provides a range of options. By placing tourism in a community perspectives, it becomes only one of several functions

and opportunities for an area, and must be planned in accordance with its relative importance and contribution. Murphy's community approach offers a more comprehensive and balanced examination of tourism development, a new perspective for its evaluation, and a suggested strategy for its continued development and evolution. This approach will also inspire the way I foresee the creation of synergy among the local entrepreneurs that are linked to the tourist industry.

As a marketer of the community's tourism products, tourism organizers have the responsibility to create an atmosphere among the local entrepreneurs that encourages participation and cooperation, preservation of the local identity, traditions, and environment, continuous improvement of the quality of products and services, maintain consistent high quality performance, encourage initiative for innovative product and service diversification, fair competition, and equal business opportunities, and establishing tourist itineraries that fit the agenda of activities of the host community. By doing so, the tourism organizers are laying the groundwork for synergy among the local entrepreneurs that are linked to the tourist industry.

Synergy can be achieved in internal integration of local entrepreneurs within a host community can be matched with adequate external adaptation, meaning that the potentials of those local entrepreneurs can be matched with the motives, needs, desires, and attitudes of tourists by enhancing their travel awareness. It is important that the tourism organizers do not enforce their will on the tourist or on the local entrepreneurs but, instead, facilitate mutual adjustment between the entrepreneurs and tourists. For example, tourism organizers can facilitate better access to the local entrepreneurs, so that tourists will have more alternatives of things they would want to buy. Tourist organizers can also prepare tour itineraries that coincide with certain festivals organized by the host community. Good tourism organizers will only promote locally manufactured products and services that can meet certain quality requirements. This kind of policy will protect the entrepreneurs as well as the tourist and, in the long run, will enable the region to develop an unimitable competitive advantage. This kind of synergy could (1) produce economic benefits to the entrepreneurs, (2) satisfy the tourists, (3) enable the host community to preserve its environment, tradition, and culture, (4) provide tourists with sweet recollection about their trip to the tourist destination, and (5) the tourist destination and its host community will be better known for its hospitality and high culture. These advantages can only be realized gradually, because the mutual adjustment will also happen over time.

Does the government has a role in creating synergy among the local entrepreneurs that are linked to tourist industry? Of course, governments has a role in creating the synergy depends on availability of good infrastructure, telecommunication network, transportation, and utilities. In many developing countries, including Indonesia, the government is responsible to provide these basic needs. Environmental preservation is frequently considered as a public responsibility. The government is expected to be able to provide these public services adequately with a quality that should at least be able to meet the tourists requirements. To a certain extent, the government may have to regulate the tourist industry in order to prevent it from going out of hand. However, it is also important that the government do not extend the arm of its bureaucracy to the tourist industry by over-regulating it, because this could prevent the creation of the synergy. So as long as the government limits itself in providing good public services and prevent itself from over-regulating the tourist industry, it can contribute to the creation of synergy among the local entrepreneurs that are linked to the tourist industry.

### Conclusion

Local entrepreneurs has an abundance of potentials that lay dormant, because these entrepreneurs do not know the value of their own potentials. The key to the successful transformation of the dormant potentials into real productive work is the better access to the market. By linking the local entrepreneurs become linked to the life of the local community that host the tourist visiting the area.

Host communities are interested in combining economic benefits and the preservation of tradition, culture, and a way of life with the provision of the best products and services to satisfied tourists. This is to be achieved through a continuous mutual adjustment process between the local entrepreneurs and the tourists. The premise underlying the mutual adjustment leading to greater synergy. Tourism organizers

will play a pivotal role in the mutual adjustment process, while the government should provide the infrastructure and necessary public services that would support the mutual adjustment process. If synergy can develop, the host community will have an inimitable competitive advantage that will make the region an attractive tourist destination for years to come. I do not want to say that the approach presented here will provide the best results, but I believe that this approach is worth considering when we plan tourist development for a particular region in the future.

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