

**THE ANALYSES AND THE IMPLEMENTATION OF TOURISM  
PRODUCT MANAGEMENT AND THE IMPROVEMENT IN  
INCREASING THE COMPETITIVE FACTORS IN TOURISM  
SECTOR IN TENGGARONG CITY TO FACE ASEAN ECONOMIC  
COMMUNITY  
(AEC 2015)**

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**ABSTRACT**

*In Indonesia, with the trend of the growth in middle level society, it is expected to give a direct impact on tourism sector. Tourism industry is expected to give a significant contribution to the Indonesian economic activities. This Research shown the Tourism, Tourism Product, Tourists, Tourism Competitiveness characteristics in Indonesia especially in Tenggarong, to facing ASEAN Economic Community (AEC) 2015. The methodology used in the research is the literature study taken from books on tourism industry added by empirical study from the related journal about tourism industry in national and international scale. In addition to them, publication reports from competent institution that discussed about economy and tourism. Based on the above data, it can be concluded as under : 1. Central government and local government must always find the potency to improve tourism as one of the economic support for Indonesia's economy, 2. In the development and management of tourism objects in Tenggarong, the cooperation and collaboration among institution and organizations are required, 3. Measure the power of tourism competitiveness in Tenggarong by using the analysis Competitiveness Monitor (CM) and working together with academicians and research institute to monitor the competitiveness level, 4. It is necessary to develop infrastructure to make the access to Tenggarong easier; supporting infrastructure such as cleanliness and health are to be developed as well, 5. The management of the human resource related to tourism sectors so that tourism can run maximumly, 6. To keep the security and safety condusiveness in order to make tourists feel safe and secure in travelling to Tenggarong..*

**Keywords:** *Tourism, Tourism Product, Tourists, Tourism, ASEAN Economic Community (AEC) 2015*

## **INTRODUCTION**

Tenggarong, is a city which is also the capital of Kutai Kartanegara in East Kalimantan Province. Tenggarong is a municipal that becomes a Capital in the region of Kutai Kartanegara (Kukar). The vast region of Tenggarong is divided into 12 small regions and the 2 villages has the area that reaches 398.10 square kilometers. The population is 98,317 people (based on BPS data, year 2014). Kukar region (kabupaten) is famous for its richness in its natural resource products such as natural gas and oil (migas) and coal which dominate the economic structure of Kukar; therefore, it is no wonder that in Kukar region, there are quite many companies in the gas and oil sector and also in mining sector, particularly in coal.

Tenggarong, the “King City” or Kota Raja is the famous name that is identical to Tenggarong, the name is because of the heritage from the old Kingdom (Kesultanan Kutai Kartanegara Ing Martadipura including the cemetery of the Kings. Tenggarong has magnificent scenery and several tourism objects and premises, starting from historical tourism, edu tourism, until man-made tourism. At present, Tenggarong has become one of the main touristic destination that can be counted in East Kalimantan. Besides its attractive tourism objectives, Tenggarong also has one of the oldest Cultural Heritage festival. The festival is called ERAU. Erau festival is the annual tradition and it has been passed on and conducted every year from centuries ago since the establishment of the early Kutai Kingdom (Kesultanan Kutai). Erau Festival itself is regularly held between the month of June, July, and August every year. And it lasts for entire week.

**Table 1. Tourism Object**

No.	Name of the tourism object
1.	Mulawarman Museum
2.	Museum of Kayu Tuah Himba
3.	Waduk Panji Sukarame
4.	Pancasila Monument
5.	Desa Budaya Pondok Labu, Cultural Village of Pondok Labu (Pumpkin Hut)
6.	Taman Wisata Pulau Kumala, Tourism Park of Pulau Kumala
7.	Planetarium Jagat Raya
8.	Jam Bentong

Sources : Various Sources (Collected by Author)

At this moment, tourism travel has become a life style in most world society, including people in Indonesia. Tourism has become the need in the society, especially people who live in cities or in other words it is known as urban life style. In the existency of upper middle class group, of course it has increased the stress level in living, so that tourism has become a choice for stress release. In Indonesia, with the trend of the growth in middle level society, it is expected to give a direct impact on tourism sector. Hermansyah (2007) stated that the more prosperous the economic level of someone, the need to travel as leisure become more and more as well. As Wahab (2002 in Purnomo 2009) has expressed his opinion by saying that tourism is a phenomenon in modern society. On the other hand the increase in the social-economic status will influence their need to travel.

Tourism industry is expected to give a significant contribution to the Indonesian economic activities. According to Pitana (2009), there are many positive impacts that tourism can give to the economy field, among others are the income from foreign currency exchange, the income from tourism and travel businesses, the income from government sector, the absorbment of employment, and these will strengthen the balance of foreign trade. There will be multiplier effect, and the usage of tourism facilities by foreign tourists, domestic tourists, or by local people and society. According to the publication by Badan Pusat Statistic (BPS), tourism industry in

year 2014 has contributed 4.01% Gross Domestic Product (GDP) or equal to Rp 391.49 trillion. Tourism industry has the capability to make Indonesia's economy 'move' and it has triggered other related businesses.

In supporting Indonesia's economy, tourism industry has the ability to absorb many employment. BPS has recorded that in year 2014, the impact of tourism industry to the absorbment of employment is 10.32 million people, or 9% of the total employment in national scale. In addition to it, BPS also recorded that Tourism sector in 2014 has the ability to contribute the foreign currency in the amount of USD 11.166.13 million, an increase when compared to the year 2013 which is USD 10.054.15 million.

In year 2014, based on the data from Badan Pusat Statistik (BPS), the visit of foreign tourists to Indonesia reaches 9.435.282 people. This figure shows that the level of visit to Indonesia has increased from year to year. The country origins of the big 5 top number of tourists visiting Indonesia are dominated by Singapore, 1,519,223 tourists, followed by Malaysia, 1,276,105 tourists and Australia 1,098,383 tourists. Then People Republic of China 959,231, and Japan with 486,687 people.

**Table 2. The number of Foreign Tourist Visits from 2010 to 2014**

Year	Quantity (in millions)	Growth (%)
2010	7.0	10.74
2011	7.6	9.24
2012	8.0	5.16
2013	8.8	9.42
2014	9.44	7.19

Source : Badan Pusat Statistik (BPS)

In days count, Asean Economic Community (AEC) 2015 will be officially implemented in the entire South East Asian Countries (ASEAN). The main concept from AEC 2015 is to make ASEAN Countries as the center of trade, an integrated area, to create ASEAN as a single market and unity on the basis of production. By the implementation of AEC 2015 there will certainly be some impacts to various life aspects, one of them is the tourism industry in Indonesia. What has become the question now is how competitive Indonesian tourism when compared to other countries? 2 to 3 recent years, Asean countries such as Singapore, Thailand, and Malaysia in welcoming AEC 2015 will be focusing in tourism sector. It will certainly be a specific challenge for Indonesian's people; therefore, tourism industry in Indonesia at this moment requires to continuously improve as well as strengthen all key essential aspects in deciding the competitive degree in the ASEAN open market.

Along with the trend of decrease in oil and gas commodity since year 2013, and followed by oil and gas mining decrease and LNG refinery and oil refinery, also influenced by the slow-down of mining performance, with the decrease of the price of coal in Global market, the potency of tourism sector in Tenggara needs to be developed so that it is expected to give significant effect to increase the economy, such as to broaden the employment levels, to improve the society's prosperity, and to increase the regional income (PAD = Pendapatan asli daerah). With the start of ASEAN Economic (AEC) 2015, there will certainly be a tougher competition in tourism sector. Because of that condition, a research has to be conducted and a review on what strategy will be the correct strategy in managing the tourism products in Tenggara to increase the regional economy. Not to forget on deciding steps on how to increase the competitive advantage in Tenggara in facing the competitions in Asean Economic Community (AEC) 2015.

## **LITERATURE REVIEW**

### **Tourism**

The word 'Pariwisata' comes from the Sanskrit language (Sangsakerta), consisting of two words, "pari" and "wisata". "Pari" means numerous, repetitive or "going around", while "wisata" means the journey or travel, travelling in this sense is the synonym of the word "Travel" in English (Yoeti, 1966).

According to Undang-undang (regulation) number 10 in year 2009 about tourism, it is written that tourism is a various kind of travel activities supported by many kinds of facilities as well as services provided by society, businessmen, government, and the local government.

According to Lundberg (1997), tourism is the activities that cover people who travel out of their residences, and all companies who serve them by making the arrangements easier, faster, and more fun. Pendit said (1990) tourism is the combination between symptom and the ties that happens because of the interactions among tourists, government business and policy of the host country, also the society of the host country in an interesting process, in serving the tourists as well as other visitors.

It has become human nature to have the needs to be fulfilled for the sake of their life continuation. Hermansyah (2007) said that the higher the economic prosperity level of a person, the more amount of need to travel he has. Wahab (2002 in Purnomo 2009) said that tourism is a phenomenon of modern society. The improvement of social-economic status of a person will also influence the need to travel as a tourist.

According to Yoeti (1996), tourism can be differentiate based on motives and objectives of the travel. It can also be differentiate into several kinds of specific Tourism and Travel as follows:

1. Tourism to enjoy the travel (Pleasure Tourism)
2. Tourism for recreation (Recreation Tourism)
3. Tourism for culture (Culture Tourism)
4. Tourism for Health (Health Tourism)
5. Tourism for Sport (Sport Tourism)
6. Tourism for Conference (Conference Tourism)

### **Tourism Product**

The definition of product according to Tjiptono (2000) is that product is everything that a producer can offer to be paid attention to, to be asked for, to be sought, to be purchased, and to be used, or to be consumed by the market as a fulfillment or the wants of the market itself. In addition to it, in a product there is an attribute attached to the product itself and the attribute has become the particular characteristics of a product of a company. Further definition by Kotler and Armstrong (2008) stated that a product attribute are the product elements that are seen important by the consumers and can be used as the purchase decision basis.

Tourism products according to Gamal Suwanto (1997) are the entire service gained and felt or enjoyed by the tourist starting from the time he's leaving his residence to the chosen touristic destination until he is going back to his home, where he started at the beginning. Tourism product according to (2002) is something that can be offered to markets so that people get interested in them, want to own them, to make the full use of them and to consume to fulfill their wants and receive satisfaction. As for the basic characteristics of tourism according to Holway and Robinson (1995) are the intangibility, heterogeneity, perishability, inseparability. Gamal Suwanto (1997) added that the component of tourism products consists of attraction from the tourism destination, amenities/facilities that are available and accessible to and from the tourism destination.

From the above researches, it can be concluded that the tourism products are services and hospitality that can be gained and enjoyed by tourists in their travel journey.

### Tourists

The word tourists comes from the Sanskrit language (Sangsakerta), from the word “wisata” which means travel or journey added by the suffix “wan” that means people who travel for leisure. In English, the person who makes a trip or travel are called traveller. And people who makes a trip for leisure is called Tourist.

According to United Nation Conference and Tourism in Pitana and Gayatri (2005), tourists are all people who visit the country that is not their living place or residence for many kind of purposes, but not to look for a job or not to make a living from the visited countries.

Various kinds of tourists based on the characteristics of his travel and location where the trip is done can be classified as follows: (Yoeti: 1996) :

- a) Foreign Tourist (Wisatawan Asing)  
Foreigners who travels, who come and enter another country that is not the country where he uses to live. Foreign tourists are called foreign or overseas tourists or in short they are called ‘wisman’ (wisatawan mancanegara).
- b) Domestic Foreign Tourist  
Expatriate of foreigners who stay or reside in a country because of their duty, and travel within the country where they are placed as a tourist. For example : the staf in Netherland Embassy or Consulate who gets annual leave, but he does not return to Holland, instead he makes a trip in Indonesia (the country where he’s stationed) as a tourist.
- c) Domestic Tourist (Wisatawan Nusantara)  
A citizen of a country who travel within the limit of his own country, without going out of the border of his own country. For example, an Indonesian who goes to Lake Toba (Danau Toba) is called a domestic tourist or in short called wisanus.
- d) Indigenous Foreign Tourist  
A citizen of a certain country, because of his duty or his position in the company is travelling overseas, and then he goes home to his home country and makes a trip or travel in his own country. For example : a French citizen who is on duty as a consultant in a foreign company in Indonesia, and when having his vacation or holiday, he is going back to France and makes a travel there. This kind of tourist is the opposite of Domestic Foreign Tourist.
- e) Transit Tourist  
Tourist that is travelling to a particular country and is forced to stay over in a port/airport/station but it is against his own intention.
- f) Business Tourist  
People who travel for the purpose of doing business but not for leisure travelling, but at the end of his business trip and when all the work have been done, he will travel for leisure. In this case, tourism is the secondary purpose, after the primary objective and purpose have been done.

### Tourism Competitiveness

Concepts and implementation on the competitiveness gain a lot of attention and become more and more popular recently. Competitiveness is the concept of multi dimension. According to Porter (1995) the definition of competitiveness is said to be the ability or effort from a company in industry to face various environments. Level of competitiveness is determined by the competitive advantage of a company and highly dependent to the relative resource that they possess and we commonly call it the competitive advantage. Then Porter explain the importance of a competitive advantage because of 3 things: (1) push productivity level and increase the ability to be independent, (2) will be able to increase the ecomonic capacity, in the

context of regional economy or the quantity of economic players, so that the economic growth increases too, (3) the trust that the market mechanism can create efficiency.

Lanza (2002) defines that the competitiveness as the continuous productivity growth can bring forward to increase the level of living standard, supported by the quality of business operation and strategy, the quality of business environment, and the macro economic environment. Tourism can be described as the competitive products if the tourism destination is attractive, competitive in its quality, when compared to the product and service of other touristic destinations (Dimanche, 2005). Next, the improvement and increase of the competitive advantage often can be achieved by make good use of available resources, increase the capability to process to get the competitiveness (Grant 1999). Based on several definition above, it can be concluded that the competitive advantage in tourism sector is the capacity done by tourism companies to attract foreign and domestic visitors who visit certain touristic destinations. With the availability of competitive advantage in touristic destination, the place will become more attractive, and that way can increase the number of tourist who come to visit.

#### Asean Economic Community (AEC) 2015

The conference among ministers of ASEAN Economy community on August 2006 in Kuala Lumpur Malaysia, agreed to develop ASEAN Economic Community Blueprint signed on November 20, 2007 together with the signing of ASEAN Charter. AEC Blueprint is used as the reference for all members of ASEAN countries in implementing AEC commitments. As for the 4 pillar of AEC 2015 (in the book “Towards ASEAN Economic Community 2015” published by Trade Department of Republic Indonesia):

- 1) ASEAN as the single market and the International production basis, with the elements of free trade in goods, service, investment, employment, skilled employees and capital flow that is more free.
- 2) ASEAN as the regions that have high competitiveness with the element of competitive regulations, consumer protections, intellectual property rights, infrastucture development, taxation and e-commerce.
- 3) ASEAN as the regions with the equal economic development, with the small to medium business elements, and the initiative appeal from integrated ASEAN for CMLV (Cambodia-Kamboja, Myanmar, Laous and Vietnam) countries.
- 4) ASEAN as the regions that is fully integrated with the global economy with the element of coherent approach in relation with the economy outside the region and the improvement in the roles in global production networks.

At the ASEAN 14th High Level Conference (KTT, Konferensi Tingkat Tinggi) on the 1st of March 2009 in Hua Hin, Thailand, all ASEAN countries leaders signed the Roadmap for an ASEAN Community (2009-2015), as the new initiatives to implement correctly in 3 Blueprint ASEAN Community, which are:

- 1) ASEAN Political-Security Community
- 2) ASEAN Economic Community Blue Print and
- 3) ASEAN Socio-Culture Community

In facing the Asean Economy Community (AEC) 2015 Indonesia has to prepare all resources that each sector has, each of ASEAN member has the opportunity to develop and sell its products in ASEAN freely. In this condition, there will be a collaboration and competition among ASEAN countries. With the existence of AEC 2015, Indonesian people will be more advanced, prosperous, and well-off or with the existence of AEC, Indonesian people will face difficulties in competing in International battlefields especially in ASEAN regions, particularly in facing countries with strong economy conditions such as Singapore and Malaysia.

## **Discussion**

The methodology used in the research is the literature study taken from books on tourism industry added by empirical study from the related journal about tourism industry in national and international scale. In addition to them, publication reports from competent institution that discussed about economy and tourism such as Center of Statistics Bureau (Badan Pusat Statistics) and World Economic Forum (WEF) in the report entitled “The Travel and Tourism Competitiveness Index (TTCI) 2015.

The contribution of tourism industry as the economic support.

Recently the economic condition in Indonesia can be said to be a little weakened because of the world economic slow down, the weakened currency conversion of Rupiah and the decrease of commodity prices because of the price decrease of oil. One of the effect of the weakened economic condition is the decrease in purchase power of the society and people. Government at the moment is still seeking ways to lift up the economic condition that is not doing so well right now. Step by step and gradually, government begins to realize that the role of tourism industry is getting more and more important now. With the growth of middle class level of society that earned relatively excessive income, in their leisure time during the holiday and vacation, they require some refreshing moments, the time when one of their activities is travelling.

As said by Irma and Susilowati (2004), that tourism is one of the industries that is capable to provide fast economic growth, to provide employment, to improve living standard, and to activate other production sector in the countries where tourists visit. Besides, according to Pitana (2009) there are many positive effects given by tourism sector towards economic conditions, among others are income from foreign currency exchange, support and improve the balance in foreign trades, improve income from businesses from tourism, government incomes, absorbment of employees, multiplier effect, and the use of tourism facilities by local people.

According to publication from Statistic Center (BPS – Badan Pusat Statistics) , tourism industry in 2014 contributed 4.01% to National Gross Domestic Product (GDP) or the amount of Rp 391.49 trillions. According to BPS, the contribution to GDP in tourism sector happen through the expenses by domestic tourists (wisatawan nusantara), the government travel budgets, the expenses from foreign tourists, and investment on the tourism industries that covers (1) companies or business in promoting to attract tourists, (2) developing the tourism premises and objects, (3) transportation business, (4) services for tourists, (5) food and beverage services and industries, (6) accomodations, (7) entertainment activities and recreation, (8) Meetings, incentives, convention, conferences, and exhibitions (MICE), (9) tourism information service, (11) touristic guides, (12) water travel and tourism and (13) Spa, health, and hospitality services. Aside from that, according to publications from BPS, tourism industry is able to absorb a big number of employees, when in 2014 the effect of tourism industry to the absorbment of employees is 10.32 million people, or 9% from the total number of national employment. And at the same time in 2014, tourism and travel industry was able to create foreign income USD 11.166,13 million or an increase from the previous year 2013 by the amount of USD 10,054.15 million.

**Table 3. The Macro Economy of Indonesia 2010-2014 (dalam %)**

<b>Dampak Ekonomi Makro</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Effects towards GDP	4,06	4,00	3,96	4,02	4,01
Effects towards employees	6,87	7,75	8,46	8,52	9,00
Effects towards salary / wages	9,35	10,72	4,12	4,15	4,16
Effects towards indirect taxes	4,16	3,83	3,82	3,93	3,93

Source : Badan Pusat Statistik (BPS)

As seen from the publication by BPS, the tourism sector has the opportunity and potency to support Indonesia's economy. That's why there is an urgent need to maximize its management and its development in the tourism objects and premises. Realising that Kalimantan is rich in natural resources, with all the products of natural resources such as oil and gas (migas) plus coal which dominates the economic structure of Kabupaten Kutai Kartanegara (Kukar), the tourism sector has not been well taken care of to its fullest potency in order to produce and support the regional economy.

#### Developing and Managing the Tourism Objects

Kabupaten Kutai Kartanegara (Kukar) is one of the regions that has many beautiful places suitable for tourism and travel. Based on the data from East Kalimantan Tourism Bureau (Dinas Pariwisata Kaltim) in 2014, the number of visits from domestic tourists to touristic objects in Kukar reached the number of 1.1. million people, while the visits from foreign tourists reached 600 thousand people. Just from the city of Tenggarong (Kota Tenggarong) in the capital city Kukar, there are several tourism objects that are attractive to be visited by tourists, among others are Mulawarman museum, and Kumala Island Resort that is exotic.

In addition to the touristic attraction objects, in Tenggarong, a Festive called Festival Erau is held to celebrate the birth of Tenggarong city. The tradition has been held for many ages since the beginning of the Kutai Kingdom (Kesultanan Kutai). The Erau festival itself is held regularly between June, July, and August, and is held for the entire week. The festival presents many attractions and fun activities. According to Yoeti (1997), tourism products consists of 3A's elements which are attractions, amenities, and accessibilities. From the 3 elements, the most dominating is the attractions, without the attractions, there will be no tourism activities. The attractions has to comply to conditions which are written as : (1) what can be seen, (2) what can be done, (3) and what can be bought.

In the development and management of a touristic objects in Tenggarong, facility and supporting facility have to be well taken care of and well managed. When a touristic object can make the tourists visit, stay, and do a lot of activities as tourists for a long period of time, it will bring a lot more visitors which in the future, it will be useful to also develop the economy better for the prosperity of the community around the tourism objects as well as the local government. According to Yoeti (1996), the tourism facilities are the companies and organisation that provide services to tourists directly or indirectly and live and their lives depend on the visits from tourists (Yoeti 1996). Tourism support and facilities cover:

- a. Accomodations : hotels, motels, inns, bungalows, villas.
- b. Transportations: air transport, water/sea transports, or train or bus travels that are used only for tourists.
- c. Big and small restaurants, F&B kiosk or small street cafes that are located around the tourism objects and the people who depend the living solely to the visitors
- d. Souvenir shops that show and sell various local unique products typical of the place.
- e. And others.

However, in managing tour and travel business, including the facility and supporting facility , a cooperation and collaboration among all stakeholders are needed. Related to the fragmented characteristic of tourism industry, and its dependancy towards the travel agents or middle men, the relation between Tourism industry and organization has to be maintained and built crucially. Government offices and companies or organizations have to collaborate maximumly so that the tourism objects that are managed and offered can be valuable in the eyes of the customers. Nirwandar (2014) explains that to put the pleasant and fun experiences into reality, hard work is needed and synergies from various companies are a must-be-done projects. According to Palmer & Haryer (1996), the collaboration is basically the formal agreement or informal agreement between two or more organization in order to improve the competency through the combination of the resources that are owned by them together with their partners.



Wang and Pizam (2011) suggested 5 stages in the collaboration process which are:

1. Assembling stage, Representatives from each partners discuss the travel package that will be offered
2. Ordering stage, Collaboration is put into details in formal agreement form; the roles and functions of each partners are started to be decided
3. Implementation stage, A system is developed to ensure that each partner work his/her best so that tourists can consume well the travel package
4. Evaluation stage, Evaluate the entire process for the whole length of stay
5. Transformation stage, In this stage, it is expected to continue the collaboration shown by 4 indicators which are partnership or relationship that is stronger, develop travel package that is different, continue the existing travel package, and the last is to continue improving the existing travel package in different themes

Furthermore, Wang and Pizam (2011) also explain about the 4 pillar collaboration strategies in increasing the competitive travel destination :

1. Building Vision  
Regional Government, industry partners, and all society leaders sit together to set and decide the vision of their region. Furthermore, the uniqueness is being sought by each region where the tourists attraction lays.
2. Building Commitment  
Design the different travel destination so they will be different from other industries. Create value in travel destination that will involve many organizations. All parties involved must possess strong commitment.
3. Building Identity  
In building the strong brand identity, the participation and roles of media is much required. Media assists in the publication of the travel destinations. The tourism and travel expert put their positive comments through media and advertising communication that are positive can also help to create good image on the travel destinations and services.
4. Building condition  
Focusing on the strategies towards the brand activation with the intention to make the travel arrangement become better and more efficient, a programs like trade shows, conferences, and cultural events can be arranged and done and etc.

Tourism industry is one of the foreign currency producer, has not been done in its best and has not been done maximumly in developing the economic sector. One of the obstacles in tourism industry happens in the regions or areas because of the lack of coordinations in many offices and institutions. For that reasons, in managing and improving and developing the tourism industry, a good coordination and collaboration are required in Tenggara. The development and management should be done from many parts, from local government (Pemda), local leaders, travel business owner or participants, and media people. The coordination and collaboration are the main important keys in developing travel industry considering that travel and tourism industry always involve many related organisation and institution. Competitiveness in Tourism: competitiveness is the concept that is complex and integrated in many elements. The attractiveness of a certain travel destination can only be competitive and has the competitive power if the destination has the competitive advantage when compared to other travel destination. According to Dimanche (2005) tourism can be described as a competitive product if the travel destination is attractiv and interesting, competitive in terms of quality, compared to product and service from other destinations. Then Grant (1999) added that the improvement in the competitive power can be reached by using the resources, by increasing the capability of managing the resources so that it has the advantage.

**Tabel 4. The Travel & Tourism Competitiveness Index 2015 Ranking**

No	Country		Ranks	Ranks in Asean
1	Singapura	2	11	1
2	Malaysia	6	25	2
3	Thailand	8	35	3
4	Indonesia	10	50	4
5	Filipina	16	74	5
6	Vietnam	17	75	6
7	Laos	21	96	7
8	Kamboja	27	106	8
9	Myanmar	32	124	9

Sumber : *World Economic Forum* (processed by the author)

Based on the publication published by World Economic Forum (WEF) in the report “The Travel and Tourism Competitiveness Index (TITCI) 2015”, it is seen that the competitiveness of Tourism in Indonesia is still below the neighbouring countries in ASEAN which are Singapore, Malaysia, and Thailand. In TICI 2015, Indonesia is on the 50th position with the total score 4.04. The main 4 factors (broken down into 14 indicators) that are used The Travel & Tourism Competitiveness Index (TICI) in measuring the competitive level of each country, they are conducive environment (5 indicators), travel and tourism policy and the possible conditions (4 indicators), infrastructure (3 indicators), and natural resources and culture (2 indicators).

**Tabel 5. Indicator of The Travel & Tourism Competitiveness Index 2015**

No	Indicator	Sub Indicator	Ranking (out of 141)	Score (1-7)
1	Enabling Environment		80	4,46
		Business Environment	63	4,48
		Safety and Security	83	5,16
		Health and Hygiene	109	4,24
		Human Resources and Labour Market	53	4,70
		ICT Readiness	85	3,73
2	T&T Policy and Enabling Conditions		9	4,59
		Prioritization of Travel and Tourism	15	5,61
		International Openness	55	3,55
		Price Competitiveness	3	6,11
		Environmental Sustainability	134	3,11
3	Infrastructure		75	3,38
		Air Transport Infrastructure	39	3,81
		Ground and Port Infrastructure	77	3,27
		Tourist Service Infrastructure	101	3,07
4	Natural and Cultural Resources		17	3,74
		Natural Resources	19	4,36
		Cultural Resources and Business Travel	25	3,12

Source : *World Economic Forum* (processed by the author)

From 14 indicators measured, Indonesia received the highest level in price competitiveness (rank 3). Priority from travel and tourism (15), Natural resources (19), Cultural resources and business travel (25), and infrastructure and air travel (39).

Besides, in order to decide the competitiveness power in tourism industry, analysis on Competitiveness Monitor (CM) is used. CM analysis is introduced in year 2001 as the measurement tool to determine the travel and tourism competitiveness power. CM is renewed in 2002 as the result of a collaboration between World Travel and Tourism Council (WWTC), WWTC and Christel DeHaan Tourism and Travel Research Institute (TTRI), University of Nottingham. CM is also developed on different research areas, the results can be seen in World Bank Global Competitiveness report, UK Regional Competitiveness Indicators and IMD World Competitiveness Yearbook. The 8 indicators that shape the competitiveness power are as following: (in Trisnawati 2007):

1. Human Tourism Indicator (HTI)  
The indicator shows the achievement on regional economic development because of the tourists visits to the travel destination.
2. Price Competitiveness Indicator (PCI)  
The indicators shows that the commodity prices consumed by tourists during their visits such as accomodation fees, travel fees, transportation and etc.
3. Infrastucture Development Indicator (IDI)  
The indicator shows the improvement and development of streets, roads, and maintenance of sanitation facility and improvement on the access of people to the clean water facilities.
4. Environment Indicator (EI)  
The indicator shows the quality of the environment and the people's awareness on taking care of their environment.
5. Technology Advancement Indicator (TAI)  
The indicator shows the development of infrastructure and modern technology that are shown by the spread of internet, mobile telephone and the export of high technology products.
6. Human Resources Indicator (HRI)  
The indicator shows the quality of the Human Resources Management in the travel destination whether or not they can provide better service to tourists when visiting the travel destination.
7. Openness Indicator (OI)  
The indicator shows the level of openness of the travel destination for an International trade with foreign tourists.
8. Social Development Indicator (SDI)  
The indicator shows the comfort and safety of tourists to travel in their destination.

Govenment has to regularly measure the competitiveness level in Tenggaraong and compared them to others. One of the thing that can be done is by analysing the CM (Competitiveness Monitor). On the other hand, regional government can also work together hand in hand with the academician and research institution to measure the competitiveness power on tourism objects.

#### Infrastructure Building

One of the assignment that has to be finalized by the Central government or local government related to developing and maximizing the tourism in Tenggaraong is to build infrastructure. Infrastructure building is one of the condition and facilities in improving the competitiveness power. According to Nirwandar (2014), in building the tourism sector, there are 3 crucial

elements which are exotic destination, supporting infrastructure, and human resource managers who can appreciate human spirit in serving tourists in their services, where the 3 elements have to walk hand in hand. Based on publication by World Economic Forum (WEF) in its report on its article “The Travel and Tourism Competitiveness Index (TTCI) 2015, it shows that the low rank and level of competitiveness in Travel and Tourism industry in Indonesia is caused by the bad quality of infrastructure, whereas the rank or scale of infrastructure of Indonesia is on rank 75 from 141 countries.

Infrastructure is one of the important factor in creating the location for travel destination that is attractive. The easier the access to the travel location, the object of the tourism becomes more attractive that it has strong attractiveness to be visited. There are many travel destination and objectives that shows the extraordinary beauty, fabulous exoticism; however, since the access to the travel destination is going to consume time, a lot of time with the difficult routes and big amount of charges, the exotic and loveliness of the travel objects are useless. Tourists do not want to go through unpleasant experience.

The ease access should also be balanced with the good facilities. That way visitors feel comfortable and are willing to stay longer in the travel destination.

Local Tenggara government need to continuously build infrastructure to support travel and tourism industry. In addition to it, the local government has to pay close attention to the maintenance and repair to the existing infrastructure. Government has to pay attention and facilitate the easy access to Tenggara with all supporting facilities and conditions. What can be done, among others, is to build airport in Kota Tenggara. Health and cleanliness are need to be taken care of as well.

Indonesia has not had a standard for public toilet. The absence of the standard for toilet has been the biggest complaint from foreign tourists to visit Indonesia. In relation to the health and cleanliness for tourism in Tenggara, local government must provide health facilities in the form of hospitals and clinics that open for 24 hours and first aids facilities on accidents.

Related to cleanliness, the local government must provide sanitation facilities and the cleanliness of public toilet has to be provided. Public toilet must be kept clean, laundry service and trash or garbage disposal cans must be provided sufficiently. The number of the services must be in good quantity or sufficiently provided. Local government must appeal and educate the people in the tourism area to understand and implement the importance of environment cleanliness especially in the areas and locations of travel destination and tourism objects; so that more and more tourists come to visit Tenggara, domestic or foreign tourists will be happy to visit Tenggara.

#### The management of Human Resources in Tourism Industry

One of the ways to improve tourism in Indonesia in general, specifically in Tenggara and to have a high competitive power in Asean Economic Community (AEC) 2015 is to improve the human resource quality to be more competent in tourism. The problem with the Human Resources is something crucial and it influences directly to the development of tourism industry. Nirwandar (2014) explains that Human Resources are the most fundamental factor in tourism industry because the industry offers hospitality. The human resources capability has become the main pillar.

According to the publication from United Nations Development Programme (UNDP) and related to Human Development Index (HDI) or Index Pembangunan Manusia (IPM) in 2015, Indonesia ranked in 108th world scale, and ranked in 5th in ASEAN scale in the Medium Human Development category. Besides, in the global competitive power index which is published by the Human Capital Leadership Institute Development in 2014, Indonesia was placed in 84th world scale, and in 6th ASEAN Scale.

From both publications from the International Institution, it can be seen that Indonesia is still having problems in human resource development. Human resource development in Indonesia is still ranked below Singapore, Malaysia, and Thailand in ASEAN scale. Because of the low human resource development in Indonesia, government has got to do several things. Government has to increase competitive power, to change the regulation and policy, and to improve human resource quality.

In tourism industry, there are various problems related to human resources, one of them is the tourism institutions and organizations that are run by S1 degree employees who are not from the tourism majors, therefore, they do not really understand the travel and tourism condition in Indonesia. What have been done by the government of Kabupaten Kutai Kartanegara are a number of projects in improving the quality of the human resource, improving education system in tourism majors, developing the tourism competencies, providing regular training in tourism, improving work pattern and the ways of thinking, and improving the prosperity of the employees who work in tourism industry.

#### Safety and security problem

There are other important factors in developing and maximizing tourism in Indonesia which are safety and security factors. The central government and the local or regional government must ensure the safety, security and political stability in Indonesia. Indonesia has to prevent travel warning from being imposed by other countries. Travel warning can make foreign or overseas tourists reluctant and cancel their trips to Indonesia because of the fear and threat in safety, security and political instability in Indonesia. Safety, security, and political stability will certainly affect the amount and level of visits from tourists, especially foreign tourists who visit Tenggarong. The role and functions of the security people at work indeed support the tourism level. Security contribute tourism industry. Although at the moment, the level of safety and security in Tenggarong is quite conducive, the responsible department, especially the police should always be alert and ready in maintaining the conduciveness. Police have to guarantee the safety and security of the tourists who visit Tenggarong so that tourists feel comfortable and secure. Police for tourist would be a good idea in assisting Indonesia in its effort to build and improve the its image in term of safety and security.

#### **Conclusion and Suggestions**

Based on the above data, it can be concluded as under :

1. Central government and local government must always find the potency to improve tourism as one of the economic support for Indonesia's economy
2. In the development and management of tourism objects in Tenggarong, the cooperation and collaboration among institution and organizations are required.
3. Measure the power of tourism competitiveness in Tenggarong by using the analysis Competitiveness Monitor (CM) and working together with academicians and research institute to monitor the competitiveness level.
4. It is necessary to develop infrastucture to make the access to Tenggarong easier; supporting infrastructure such as cleanliness and health are to be developed as well.
5. The management of the human resource related to tourism sectors so that tourism can run maximumly.
6. To keep the security and safety conduciveness in order to make tourists feel safe and secure in travelling to Tenggarong.

Considering the above conclusions, there is a number of suggestions and recommendations as follow:

1. Coordination and collaboration among instances and institutions in managing and developing the tourism industry are to be done intensively and regularly. Ideas, opinions and thoughts are to be shared among concerned people.
2. Measurement in the rank and level of tourism competitiveness power is to be done routinely and regularly.
3. Promote tourism objects in Tenggarong regularly through advertisement, or participation in tour and travel exhibitions in national and international scales.

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