

Strategy To Increase The Competitiveness Of Umkm In The Tourism And Creative Economy Sector Of Samosir Regency With Go-Digital And Transformational Leadership

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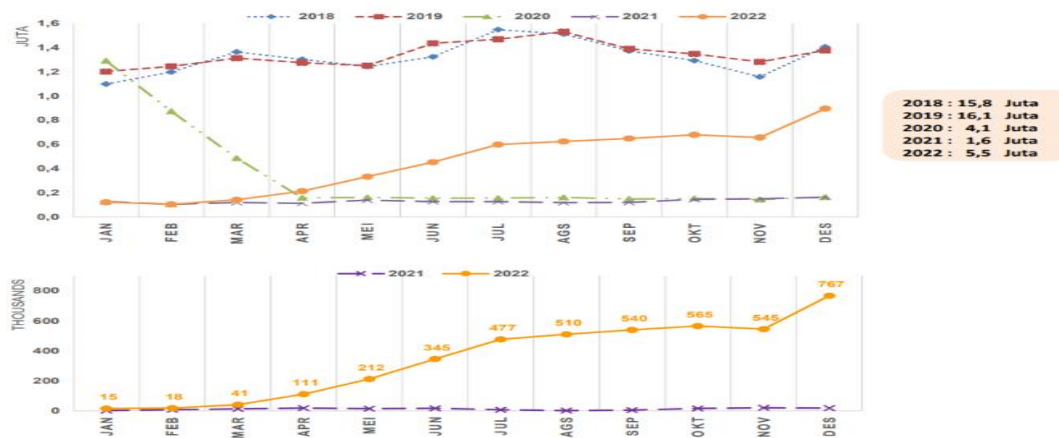
Abstract.

MSMEs in the tourism sector play an important role in business development and continue to contribute to economic strength and social development in various countries, one of which is Indonesia, and support each other and contribute to generating foreign exchange for the country. The euphoria of the world community has caused tourism visits to increase, especially after Indonesia officially hosted World Tourism Day or World Tourism Day 2022, which had the impact of becoming increasingly well-known to the tourism sector, especially Samosir Regency. This research took a population of 462 MSMEs in Samosir Regency with a sampling technique, namely cluster random sampling with a sample size of 150 MSMEs in 2 Districts of Samosir Regency. Data sources include secondary data originating from relevant agencies and primary data directly from business actors. Data collection techniques use interview documentation and questionnaires. The research results showed that the influence of Go-digitalization and transformational leadership was positive and significant on competitive strategies for MSME actors in the Tourism and Creative Economy sectors of Samosir Regency. The development of digital technology is increasingly rapid, especially after the pandemic disaster. This also encourages community actors to shop online. It's no wonder that electronic trading platforms are selling well as people's choice for shopping and transactions. MSME digital acceleration is carried out to build competitiveness so that MSMEs can be stronger. Transformational leadership is the process of mobilizing all one's abilities to influence, move, direct other people. Transformational leadership is a process of mobilizing all one's abilities to influence, move and direct other people. The suggestion from this research is government support to encourage and provide assistance to business actors so they are able to compete with other tourism industries. One form of support is for the government to provide space for learning to realize technological literacy through outreach and training to business actors. Then we need to utilize new marketing strategies, actively producing goods that consumers can buy directly for the types of products that are currently on the rise during the pandemic.

Keywords: Competitive Strategy, Go Digital and Transformational Leadership.

I. INTRODUCTION

The rapid development of MSMEs in Indonesia is supported by the use of the best technology, information and communication media. MSMEs in the tourism sector play an important role in business development and continue to contribute to economic strength and social development in various countries, one of which is Indonesia, and support each other and contribute to generating foreign exchange for the country. The Ministry of Tourism and Creative Economy stated that the number of foreign tourists in 2022 in all regions of Indonesia will be 5,471,277 people and domestic tourists in 2022 will be 2,944,732,540.



Sumber: <https://kemenparekraf.go.id/>

Fig 1. Development of MSMEs in Indonesia 2018-2022

The problem is that the ability of MSMEs in the tourism and creative economy sectors to determine strategies to increase their business competitiveness is still relatively low due to the use of digitalization developments which have not been optimal in supporting all business activities carried out. The euphoria of the world community has caused tourism visits to increase, especially after Indonesia officially hosted World Tourism Day or World Tourism Day 2022, which had the impact of becoming increasingly well-known to the tourism sector, especially Samosir Regency. Samosir Island is one of the areas in North Sumatra which has become a tourist attraction because it is in the middle of Lake Toba. This is in line with the designation of Lake Toba and its surroundings as a National Strategic Area and the designation of the Toba Caldera Geopark as a National Geopark, (<https://samosirkab.go.id/potensi-unggulan-kabupaten-samosir-usaha-industri-kecil-dan-menengah-ikm/>). Optimizing the management and utilization of the potential of Natural Resources in the form of developing potential industrial businesses which, if connected to the creative economy, will be able to develop the potential for tourist destinations, creative and innovative arts and culture so that they have high selling value and competitiveness at both national and international levels. The following are MSMEs in Samosir Regency:

Table 1. Culinary MSME actors in Kab. Samosir

No	Kecamatan	Rumah Makan/ Restoran
1	Sianjur Mulamula	0
2	Harian	19
3	Sitiotio	0
4	Onanunggu	15
5	Nainggolan	15
6	Palipi	23
7	Ronggurnihuta	0
8	Pangururan	253
9	Simanindo	137
Total		462

Sumber: <http://satudata.samosirkab.go.id/>

Based on the data above, the total number of MSMEs in the food/restaurant sector is 462 and for the MSME sector which provides souvenirs for tourists who want to buy, they are sold by business actors around the Raja Sidabutar Tomok restaurant, Siallagan Stone Chair, along the Tuktuk Siadong Ring Road and Pasir Putih Parbaba. Several coaching efforts have been carried out by the Samosir District Government, such as providing training, mentoring, internships and providing capital facilities, and also collaborating with Bank Sumut to provide marketing facilities such as sales outlets at various events. However, these efforts have not been able to fully reach and overcome the problems faced by MSMEs in facing business competition (Bastidas *et al.*, 2023). The problems faced include limited capital, human resources whose ability is limited in understanding business conditions and technology (Sabri and Witte, 2023), difficulties in obtaining raw materials for the creative industry, as well as understanding the Go-Digitalization of business (Nummi, Staffans and Helenius, 2023) and MSME players still lack transformational leadership (Potts, 2020).

II. LITERATURE REVIEW

Marketing

Marketing is the activity of transferring goods or services carried out in a fast process from business actors to consumers as users. In an experimental study to support the proportion of relationships, it turns out that marketing agents play a very important role in the relationship between consumers and MSMEs in persuasion experiences that influence marketing strategies (Tirtayasa, Nadra and Khair, 2021).

Entrepreneurship

Entrepreneurship plays an important role in business sustainability, this has important implications for public policies targeted at promoting entrepreneurship. The entrepreneurial ecosystem (EE) perspective has become a popular topic among scholars, policymakers, and practitioners to describe the complex

interdependencies of various actors and activities that generate new venture inputs, growth, and outputs. However, there are substantial differences between the conceptual framing and empirical studies to date. EE is conceptualized as a complex system with dynamic processes, many interactions between actors, and interdependence between activities (Gunardi, Rahayu and Wibowo, 2020).

Marketing strategy

Marketing strategy has an important function because it helps assess the economic value of the company, both the price of products and services. Marketing strategy is the main approach that can be used by business units to achieve predetermined goals, including key decisions regarding target markets, product market positioning, marketing mix and the amount of marketing costs required. So, it can be concluded that the concept of marketing strategy includes the decision-making process regarding marketing costs, marketing mix, distribution of marketing costs in relation to environmental conditions and predicted competitive conditions (Giones and Brem, 2017).

Competitive strategy

Competitive Strategy is the process of determining large-scale and future-oriented plans in the form of setting missions, selecting programs and policies as well as certain decisions taken by top management that focus on long-term goals so as to produce competitive advantages (Elia, Margherita and Passiante, 2020). Competitive strategies that business actors need to have include product strategy, price strategy, distribution strategy (location), promotion strategy, human resources, processes, physical evidence (Sasa *et al.*, 2021).

Transformational leadership

Transformational leadership is a process of mobilizing all one's abilities to influence, move, direct other people by using available resources effectively and efficiently. Leadership in MSMEs is very necessary considering the high level of competition faced by business actors.

Go-Digitalization

Go-Digitalization, namely the increasingly rapid development of digital technology, especially after the pandemic disaster. This also encourages community actors to shop online. It's no wonder that electronic trading platforms are selling well as people's choice for shopping and transactions. MSME digital acceleration is carried out to build competitiveness so that MSMEs can be stronger. The Go-Digitalization program for MSMEs includes digital skills and mindset, digital presence, digital marketing, digital operations (Bank Indonesia, 2022).

III. METHODS

This research uses an explanatory research approach, which aims to explain the causal relationship between research variables and testing hypotheses. Where the marketing strategy consisting of product, price, promotion and distribution strategies is an independent variable. The dependent variable is competitive advantage, while Go-digitalization and Transformational Leadership are independent variables. Quantitative research is research based on a positive philosophy that examines a certain population or sample and takes random samples using tools to collect data, analyze statistical data (Sugiyono, 2017). Process and Flow Stages This research was carried out on a strong basis of data collection, both in the initial observation process looking for phenomena and in the ongoing research process. The population of this research is all MSMEs in the Tourism and Creative Economy sector in 2 sub-districts in Samosir Regency, totaling 150 businesses. The data collection techniques used in this research are documentation, interviews and questionnaires. The data analysis used in this research uses the analytical method approach of this research using the Structural Equation Model (SEM) which is operated through the Partial Least Square (PLS) program using SmartPLS software. PLS is a component or variance-based structural equation model. PLS is a powerful analysis method because it is not based on many assumptions.

For example, the data must be normally distributed and the sample does not have to be large. Besides being able to be used to confirm theories, PLS can also be used to explain whether there is a relationship between latent variables. PLS can simultaneously analyze constructs formed with reflexive and formative indicators. This cannot be done by covariance-based SEM because it would be an unidentified model. There

are several advantages to this PLS method, namely: 1) It does not require assumptions, the data does not have to be normally distributed (indicators with categorical, ordinal, interval to ratio scales can be used in the same model), 2) Can be estimated with a relatively small number of samples. This is in accordance with the relatively small number of samples in the study.

Framework

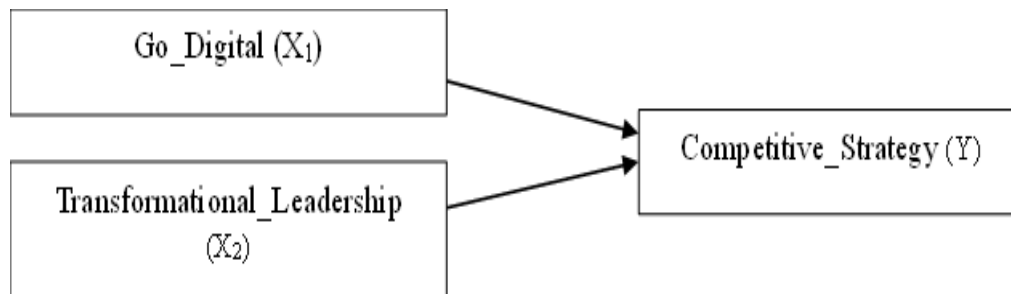


Fig 2. Framework

Hypothesis

H1: Go-Digitalization influences Competitive Strategy

H2: Transformational Leadership influences Competitive Strategy

IV. RESULT AND DISSCUSION

1. Result

Research Instrument Testing (Outer Model)

Validity test

This validity test is intended to determine the extent to which the questionnaire items that have been prepared can represent the variables being measured. Validity testing uses loading factors from PLS calculations, which shows that all question items meet the recommended values, so that the indicators used to measure the variables in this research are valid. The loading factor value from the smart-PLS results can be seen in Table 1. The Outer Model value is carried out by looking at the Convergent Validity value, this is measured based on the correlation value with the variables measured with a loading factor value > 0.70 which is highly recommended but a value $> 0,50 - 0.60$ is still tolerable as long as the model is still under development (Ghozali and Ratmono, 2017). In this analysis, the validity of the data is measured with a value > 0.50 . Outer Loadings output test results no longer found values below <0.5 . So at this stage this model is said to be a good/fit model. So it can be continued in the next analysis.

Reliability Test

Data reliability tests (reliability tests) are carried out to measure the consistency and stability of the score (measurement scale) of an instrument in measuring certain concepts and help the goodness value of a measurement instrument. Data quality testing was carried out by looking at the composite reliability values produced by PLS calculations from the research variables. To determine composite reliability, if the composite reliability value $\rho_c > 0.8$ it can be said that the construct has high reliability or reliable and $\rho_c > 0.6$ is said to be quite reliable (Agus and Ghozali, 2019) and Average Variance Extracted (AVE) > 0.50 . Cronbach alpha value is above 0.70. The results of reliability testing for all variables studied are presented in the following table:

Table 2. Reliability Test

	<i>Cronbach's Alpha</i>	<i>rho_A</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
Go-Digitalization (X1)	0.968	0.969	0.971	0.675
Leadership influences (X2)	0.989	0.990	0.990	0.863
Competitive Strategy (Y)	0.866	0.869	0.892	0.500

Source: Research Results, 2023 (Processed Data)

Based on the results of the reliability testing above, it can be said that all variables are suitable measures, where the values of Alpha Cronbach, Composite Reliability and Average Variance Extracted have met the required values. Not all of the criteria in the reliability test must be met. As long as one of the three criteria (Cronbach's Alpha, Composite Reliability and AVE) is met.

Measuring the Value of Inner Models and Structural Models

Inner model or structural model testing is carried out to see the relationship between variables, significance values and R-square of the research model. The structural model is evaluated using R-square for the dependent variable.

Table 3. R Square

	R Square	R Square Adjusted
Competitive Strategy (Y)	0.087	0.075

Source: *Research Results, 2023 (Processed Data)*

Table 3 above shows that the R-square value of the strategy variable has an r-square value of 0.087, meaning that the variability in competitive strategy that can be explained by the go-digital and transformational leadership variables is 8.7%. The higher the r-square value, the greater the ability of the independent variable to explain the dependent variable so that the better the structural equation.

Hypothesis test

Hypothesis testing is based on the values contained in the structural model analysis, the level of significance of the path coefficient is obtained from the t-value and the standardized path coefficient value. The limit value for hypothesis testing is that the t-value of factor loadings is greater than the critical value (≥ 1.96).

Table 4. Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Keterangan
Go-Digitalization (X1) -> Competitive Strategy (Y)	0.349	0.367	0.115	3.020	0.003	Diterima
Leadership influences (X2) -> Competitive Strategy (Y)	-0.252	-0.273	0.148	1.701	0.090	Ditolak

Source: data processing (2023)

Based on the results of the analysis of table 4 path coefficients, a temporary conclusion can be made from the results of the data analysis, as follows: Go-Digitalization has a significant positive effect on competitive strategy with a t-value of $3.020 > 1.96$ or with a p-value of $0.003 < 0.05$. The magnitude of the effect is 0.349 (34.9%). Transformational leadership has no influence on Competitive Strategy with a t-value of $1.701 < 1.96$ or with a p-value of $0.090 > 0.05$. The magnitude of the effect is -0.252 (-25.2%).

2. Discussion

Based on the analysis results seen from the Path Coefficient table, it is found that Go-digitalization has a significant positive effect with a t-value of $3.020 > 1.96$ or with a p-value of $0.003 < 0.05$. The magnitude of the effect is 0.349 (34.9%). to competitive strategy. This means that in the current era, MSMEs in the Tourism and Creative Economy sector in Samosir Regency are expected to be able to adapt to technological advances in terms of digital skills and midset, namely that MSME actors are required to understand information technology to support the businesses they run. Opportunities to develop businesses in the fields of Tourism and Creative Economy through the use of existing search engines such as Google, E-commerce, social media are media that are often used by the public to obtain information about product services. And MSME players are also required to provide digital wallet facilities, because people are now more familiar with e-money payments. The online payment system provides convenience and comfort for the public in carrying out their financial transactions. There is a need for Go-digitalization to compete among MSME actors in the Samosir area, so that people who want to know about the products and tourist attractions offered can access the website provided by MSMEs around the Lake Toba tourist attraction, especially Samosir Regency. MSME players are also required to continue to communicate about the products offered to

make it easier for people interested in visiting tourist attractions in Samosir Regency, especially the area around Lake Toba and its surroundings.

The ordering system for products offered by MSMEs in Samosir Regency also needs to be improved through application development or online ordering to increase interest and ease of ordering for the public. Based on the analysis results seen from the path coefficient table, it was found that there was no influence with a t-value of $1.701 < 1.96$ or with a p-value of $0.090 > 0.05$. The magnitude of the effect is -0.252 (-25.2%). This means that the application of transformational leadership by MSME actors in improving competitive strategies is not significant because MSME actors in Samosir Regency mostly run their own businesses, few MSME actors have employees to support the businesses they run. MSME businesses for the tourism and creative economy sectors in Samosir Regency. If we look at business conditions, transformational leadership is difficult for business owners to implement because there are many factors that do not support this leadership style being implemented by entrepreneurs. The factors that are less supportive are not having employees to support the business, while some MSMEs have subordinates but the understanding of entrepreneurs to encourage employees to increase employee creativity is still low. The motivation of each MSME actor to compete with MSMEs outside the Samosir area is also still low due to the ability to adapt to changes that occur in both the tourism sector and the creative economy. Efforts by MSME actors in Samosir Regency to take part in several training and outreach for self-development in increasing business competitiveness are also still low, so that the businesses they run do not make regular progress.

V. CONCLUSION

1. Business actors should be involved in absorbing labor, because Samosir has become one of the tourist destinations, and the role of business actors in increasing employment opportunities is also a measure of the success of the District's economic growth goals. Samosir.
2. Regional governments should encourage business actors to upgrade their business capabilities and absorb go-digitalization through real training for business owners and employees who work in MSMEs, especially training on the use of social media for promotions and using E-money in the payment system.
3. The regional government encourages the development of online transportation businesses through downloadable applications, whose role is as a means of picking up and picking up customers, or goods couriers, which makes it easier for visitors to buy goods or food without having to go to the location. This has been going well on the island of Bali and the tourist zone province on the island of Java.

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