

The Influence on Strategic Partnerships Through Market Attractiveness and Distinctive Competencies (A Study on Tourism Services Industry in Maluku Province)

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ABSTRACT

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Maluku is a strategic area as a tourism destination because it has unique characteristics, but tourism service managers are less than optimal in utilizing market attractiveness, and they lack the distinctive competencies of the company. In addition, strategic partnerships with stakeholders have not been developed optimally. This study uses an economics approach that is acculturated with strategic management science with a focus on the level of management understanding of market attractiveness, distinctive competencies and strategic partnerships in the tourism service industry in Maluku Province. The research method is using a survey method which includes a descriptive survey and an explanatory survey. The unit of analysis in this study is the tourism service industry in Maluku with the unit of observation being the head of a tourism service company in Maluku. The test was carried out using a structural equation model. The results show that the perceived market attractiveness is not yet fully attractive to tourism service companies in Maluku, distinctive competencies and strategic partnerships have not been maximally developed by tourism service companies in Maluku. The test results also show that there is a simultaneous or partial effect of market attractiveness and distinctive competencies on strategic partnerships. Strategic partnerships are more dominantly formed by distinctive competencies and the dimension that gives the highest contribution is organizational capability.

Keywords: Distinctive Competencies,
Market Attractiveness, Maluku Province,
Strategic Partnerships, Tourism

JEL Classification: L80, L89, M30

INTRODUCTION

The tourism sector is one of the leading service sub-sectors to be developed in order to improve the country's economy. The following is data on tourist visits to Maluku Province in table 1 below.

Table 1. The development of tourist visits to Maluku Province in 2016-2020

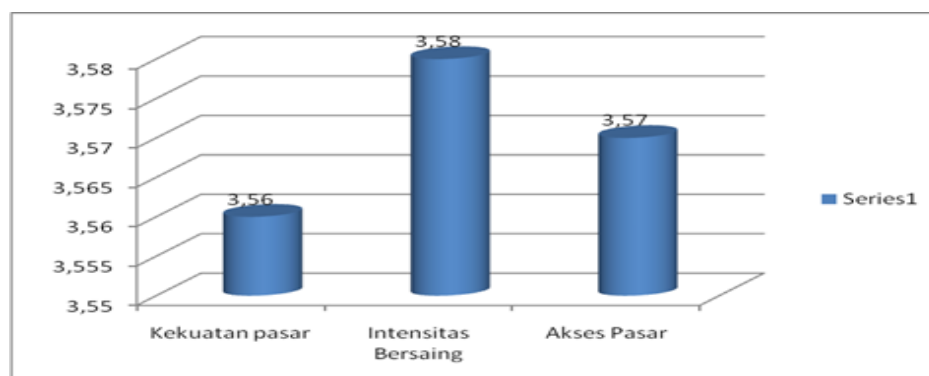
| No | Tourist | YEAR | | | | |
|--------------|----------------------|---------|---------|---------|---------|---------|
| | | 2016 | 2017 | 2018 | 2019 | 2020 |
| 1. | <i>International</i> | 15.015 | 18.075 | 18.979 | 13.153 | 2.010 |
| 2. | <i>National</i> | 103.947 | 111.332 | 116.899 | 76.842 | 41.188 |
| 3. | <i>Local</i> | 129.068 | 174.431 | 183.153 | 147.434 | 173.110 |
| TOTAL | | 248.030 | 303.838 | 319.031 | 237.429 | 216.308 |

Source: BPS Maluku, Maluku Publications in 2016-2021

Data on tourist arrivals in 2020 decreased drastically, especially for foreign / international tourists, considering the covid 19 pandemic. Meanwhile, foreign tourists who visited Maluku a lot came from the Netherlands, Germany, Hong Kong, France, Australia, China, America and India.

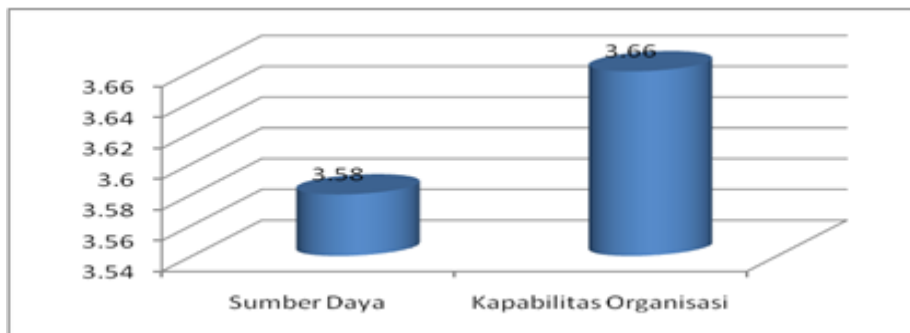
Based on preliminary research that has been conducted on 50 respondents regarding market attractiveness which consists of market power, competitive intensity and market access as follows, on a scale of 1 to 5, the sub-variables of the market attractiveness variable have an average value of less than 4, meaning that the management of the tourism business considers that market forces have not fully become an attraction, have not served the market intensely, and have not been free to manage and develop the market.

Figure 1. Market Attractiveness Index



Likewise, considering the uniqueness of competencies as shown in Figure 2, there are still problems in developing distinctive competencies which include organizational capabilities related to organizational structure and internal capabilities, as well as resource management, both of which are relatively weak.

Figure 2. Distinctive Competencies Index



The preliminary survey on strategic partnerships to 50 respondents is as shown in Figure 3

Figure 3. Strategic Partnership Index



Partnerships with various stakeholders have not been carried out properly.

Problems

1. How is the market attractiveness, distinctive competencies, and strategic partnership in the tourism service industry in Maluku Province.
2. To what extent is the influence of market attractiveness and distinctive competencies on strategic partnerships in the tourism service industry in Maluku Province, either partially or simultaneously.

This research aims to:

1. Revealing the results of a descriptive study regarding market attractiveness, distinctive competencies, and strategic partnerships in the tourism service industry in Maluku Province
2. Obtaining test results on the effect of market attractiveness and distinctive competencies on strategic partnerships in the tourism service industry in Maluku Province, either partially or simultaneously.

LITERATURE REVIEW

Market Attractiveness

Best (2009) suggests that market attractiveness can be measured through market forces, competitive intensity, and market access. The literature consistently emphasizes markets selection as a strategic decision (Brouthers et al., 2009; Douglas and Craig, 1992; Malhotra et al., 2009; Martin Martin and Papadopoulos, 2007;

Papadopoulos and Denis, 1988; Whitelock and Jobber, 2004) in (Lazzi et al, 2015). Market growth is an indispensable market attractiveness criterion in targeting a market to which a business can flourish (Cho, et al, 2005). the market attractiveness concept and the criteria of international markets is typically used when it comes to companies' objectives to evaluate and choose new markets for business and are related to the analysis of external market environmental factors for business activity, Y. Azarian (1998) in Urbsiene, et al (2014).

Distinctive Competencies

Distinctive competencies are unique strengths that enable companies to achieve superior efficiency, quality and innovation to create value creation and competitive advantage (Hill and Jones, 2009). Core competencies as distinctive competencies, namely a series of unique strengths that enable an organization to achieve levels of efficiency, quality, innovation or customer response, all of which are able to create superior value and competitive advantage. Unique can be defined as a portion or part to identify a difference (Kvancz, 2006). Distinctive competencies are the core competencies possessed by companies that are superior or better than other competitors (Popy Rufaidah, 2012). Bryson, et al (2007), distinctive competencies are competencies that are very difficult for others to replicate and are a source of lasting advantage.

Strategic Partnership

Strategic partnership is an effort to cooperate with stakeholders (Cravens, 2009). The partnership process model proposed by Callahan and MacKenzie (2000) states that the decision to enter into a partnership relationship begins with the search for potential business partners or partners. Several researchers consider the lack of accuracy of the strategic partnership concept, as being a phenomenon that does not have a negative influence. Grevi (2008) claims that it can be an advantage, since a certain degree of flexibility and constructive ambiguity are necessary to such a concept. The lack of a uniform conceptual frame gives space to adjustments, concessions, compromises or common pragmatism and an elementary approach. Maihold (2010) studies the separate meaning of the two words. Partnership is a cultural ideal of a common relation. Like alliances, strategic partnerships are inherently related to security issues. Renard (2016) notes that it is hardly imaginable that a strategic partnership worth the name could afford not to put security issues at the center of its agenda. In the literature on the issue, the most often used interchangeable terms are: strategic partnership, strategic alliance, strategic cooperation, close partnership, special relations/particular relations. Because of the fact that their mutual relation has not been adjudicated, all those terms are treated as synonymous in the below essay (Czechowska, 2013)

RESEARCH METHOD

This research is descriptive and verification. Descriptive research is a type of research that describes the nature and attributes of a subject (Askarzai et al., 2017). The method applied is descriptive survey and explanatory survey. time horizon is cross section/one shot. Structural equation modeling (SEM) method. The population of this research is all tourist attractions in the Maluku region, which include tourist attractions, tourist areas, tourist transportation services, travel services, food and beverage services, accommodation provision, organizing entertainment activities, organizing meetings, tourism information services, services tourism consultant, tour guide service, water tourism and spa. The unit of analysis is a tourist attraction in Maluku with the unit of observation being the managers of tourism objects including management, owners or managers. The sample size was determined by taking into account the analytical techniques used in hypothesis testing using the structural equation modeling (SEM).

Data collection in this study used a combination of several techniques consisting of: interviews, questionnaires, observation. FGD (Focus Group Discussion) will be conducted at the next stage.

RESULTS

Market Attractiveness of The Tourism Services in Maluku

The following shows the average index for each dimension of market attractiveness.

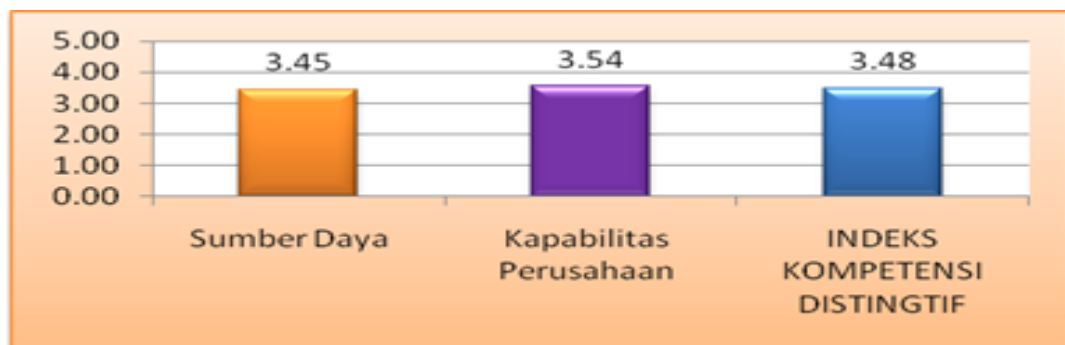
Figure 4. Average Index for Each Dimension of Market Attractiveness



Distinctive Competencies of Tourism Service Managers in Maluku

The following is the average index for each dimension of distinctive competencies

Figure 5. Average Index for Each Dimension of Distinctive Competencies



Strategic Partnership for Tourism Service Managers in Maluku

The following is the average index for each strategic partnership dimension

Figure 6. Average Index for Each Strategic Partnership Dimension

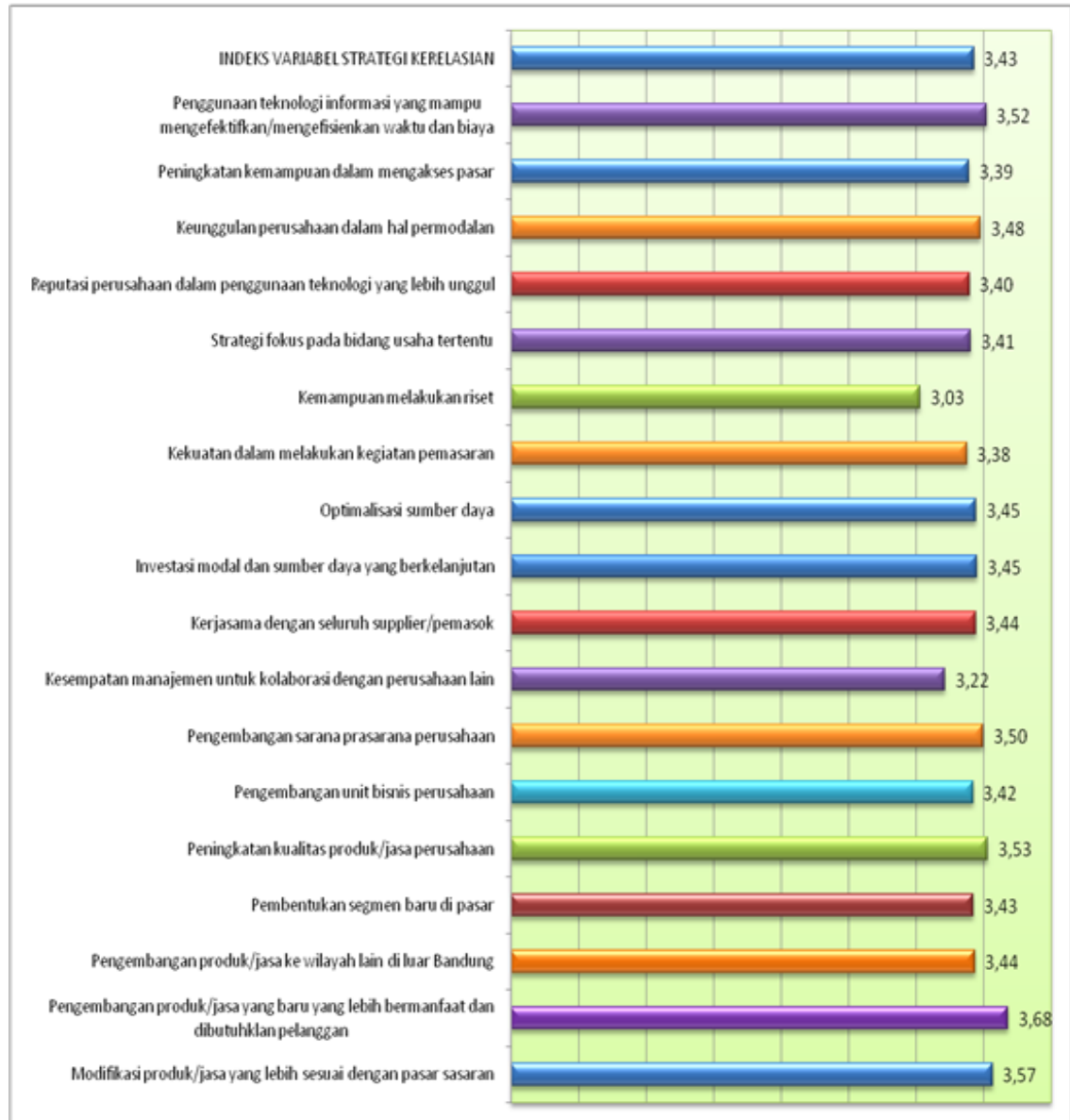


Figure 7. Path Diagram

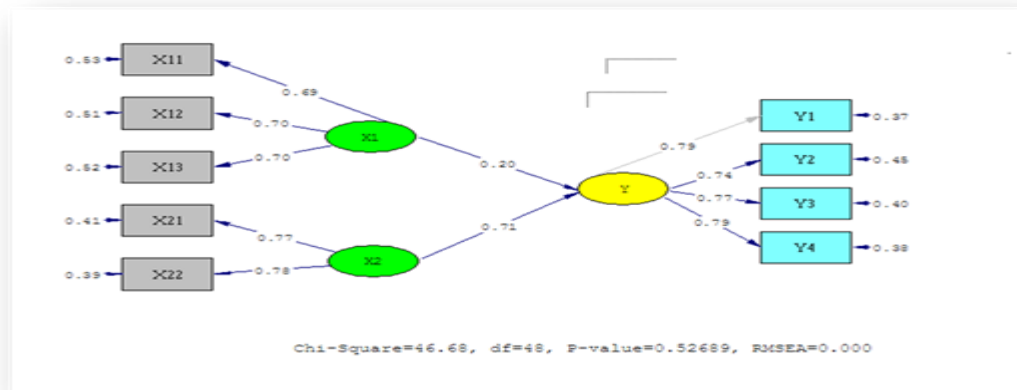


Figure 7 shows the estimated parameters of the research model. Based on the coefficient value from Figure 4, it is known that the distinctive competencies variable with the dimensions of organizational resources and capabilities has a greater influence than the market attractiveness variable with the dimensions of market power, competitive intensity and market access, namely the strategic partnership variable.

Figure 8. t Value

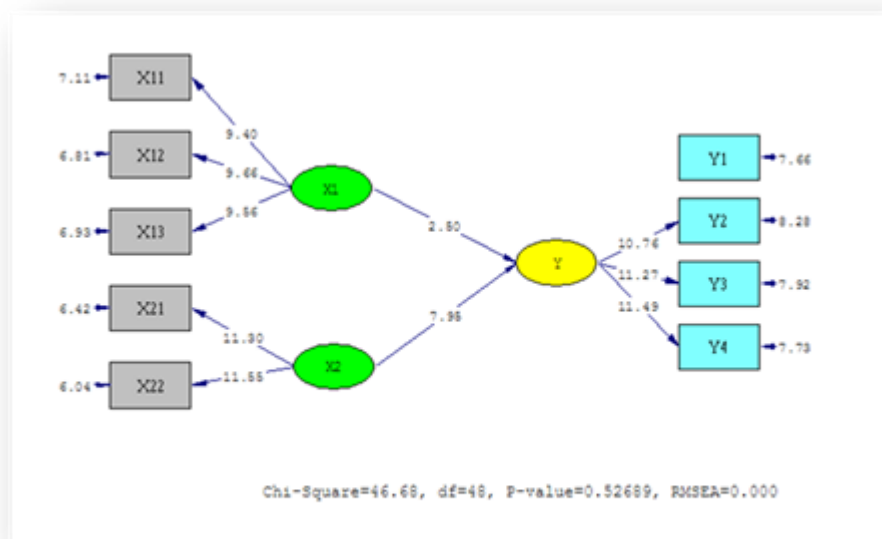
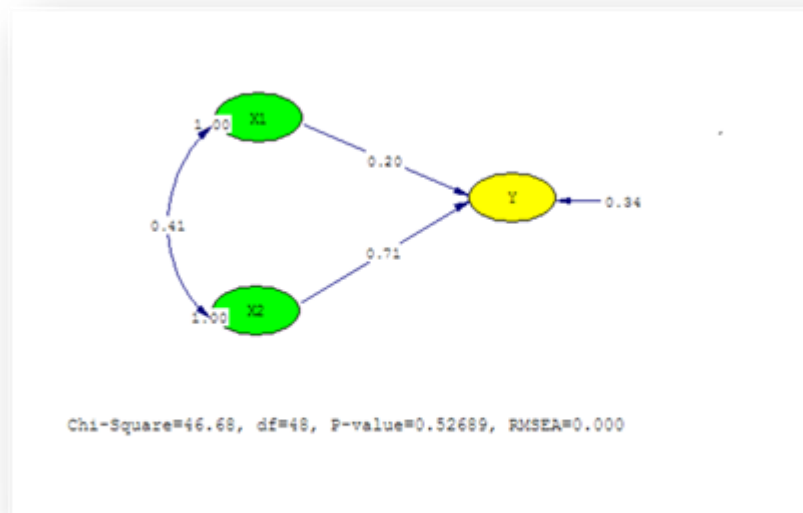


Figure 9. Structural Model



Based on Figure 9 above, the structural equation obtained is
 $Y = 0,20 X_1 + 0,71 X_2 + \zeta_1$

DISCUSSION

It is necessary to pay attention to important or strategic indicators in increasing market attractiveness, distinctive competencies and strategic partnerships, especially the collaboration of all important elements in the tourism ecosystem in Maluku Province.

CONCLUSION

Tourism service managers in Maluku Province have not optimally utilized market attractiveness. Judging from its dimensions, market access is a dimension that is perceived as relatively better by tourism service managers, especially in terms of the ease with which customers make orders/reservations for products/services from the company, while the dimensions that are perceived as relatively good are still not entirely good in terms of strength. a market where the company has not been able to serve all market needs/demands for the company's products/services. The test results can conclude that for the management of tourism service managers in general, market attractiveness is not yet fully attractive.

The tourism service industry in Maluku already has competence but is perceived as a competence that is not yet completely unique. Managers perceive the company's capability dimension as a better dimension than the resource dimension.

The results of the verification test show that there is a simultaneous or partial effect of market attractiveness and distinctive competencies on strategic partnerships. Strategic partnerships are more dominantly formed by distinctive competencies, and the dimension that contributes the highest is organizational capability.

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DECLARATION OF CONFLICTING INTERESTS

We declare that we have no conflict of interest with the ICPM Bali 2021 committee or staff from AIBPM or any conflict regarding this article.

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