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MODEL FOR STRENGTHENING THE COMPETITIVENESS CREATIVE-TOURISM INDUSTRIES BASED OF LOCAL WISDOM TOWARDS OVOP _The potential of tourism and the creative economy of the region in Indonesia is very large but does not have strong competitiveness. The objectives of this research were: (1) to develop a strategy model for strengthening the competitiveness of the creative-tourism industry with the value of local wisdom; (2) product development from the tourism creative industry by utilizing the region's superior resource potential towards one village one product.

Development of a strategy to strengthen competitiveness using a cluster approach. The survey was conducted for micro, small and medium enterprises (MSMEs) members of clusters who are members of the creative tourism industry cluster in the Karanganyar Regency region. Model testing using Partial Least Square (PLS) method.

Research findings were: (1) Capability of local resources with local wisdom has a positive impact on market-oriented competitiveness and entrepreneurship strategies; (2) Strategy for Strengthening the competitiveness of the creative-tourism industry based on local wisdom has a positive impact on the performance of the strategy, namely one village one product.

The Model of Strategy Strengthening competitiveness of tourism creative industries with local wisdom can be applied in regions in Indonesia which have had intensification of local resource capabilities with cluster approach. _ _ _ _ _ Copyright © International Research Journal of Business Studies.

All rights reserved. _ _ _ SARI PATI _ _ Corresponding Author: Email: _ _ Potensi dari pariwisata dan ekonomi kreatif daerah di Indonesia sangat besar namun belum mempunyai daya saing yang kuat.

Tujuan dari penelitian ini yaitu: (1) membangun model strategi penguatan daya saing industri kreatif-pariwisata bernilai kearifan lokal; (2) pengembangan produk industri kreatif pariwisata dengan memanfaatkan potensi sumber daya unggulan daerah menuju one village one product. Pengembangan strategi penguatan daya saing menggunakan pendekatan klaster.

Survey dilakukan kepada pelaku **usaha mikro kecil dan menengah (UMKM)** anggota klaster yang tergabung dalam klaster industri kreatif pariwisata di wilayah Kabupaten Karanganyar. Pengujian model menggunakan metode Partial Least Square (PLS). Temuan penelitian adalah: (1) Kapabilitas sumber daya daerah bernilai kearifan lokal berdampak positif pada strategi Daya Saing berorientasi pasar dan entrepreneurship; (2) Strategi Penguatan daya saing industri kreatif-pariwisata berbasis kearifan lokal berdampak positif terhadap kinerja strategi yaitu one village one product.

Model Strategi Penguatan daya saing industri kreatif pariwisata bernilai kearifan lokal akan dapat diterapkan di daerah-daerah di Indonesia yang memiliki intensifikasi kapabilitas sumber daya lokal dengan platform Cluster _ _ _ INTRODUCTION **The development of creative** economy in the tourism sector becomes a potential area that can be developed in each region of Indonesia.

Indonesia's abundant natural wealth and unique local culture, providing its own attractions for domestic tourists and foreign tourists. Indonesia's tourism sector has become one of the major contributors to local revenue across the archipelago. **There has been a** shift in the country's international destinations from to developed countries to countries in Asia.

This is a great opportunity for Indonesia's tourism development and is proven by the ranking of tourism and economy in Asia. Indonesia's tourism sector includes 139 major and is the top 5 in ASEAN (Travel and Tourism Competitiveness 2012). **Based on data from** the Central Bureau of Statistics (BPS), the number of foreign tourists entering Indonesia from 2013-2017 averaged 12% per year.

On the other hand creative economic performance began to show a positive trend. Based on statistical data and the results of the Creative Economy Survey released by the Central Bureau of Statistics (BPS) and the Creative Economy Agency (Bekraf) in 2016, recorded creative economic contribution to gross domestic product (GDP) of Rp 852 trillion or 7.38% total national economy.

Creative economy throughout 2015 grew 4.38%. Meanwhile, the creative economy has

absorbed 15.9 million workers (13.90%) with export value of US \$ 19.4 billion (12.88%). BPS data also shows a significant increase of creative economic contribution to the national economy from 2010-2015 at 10.14% per year. This shows the creative economy has the potential that can develop and have power in the midst of global economic conditions.

Meanwhile, based on data from BPS and Bekraf in 2016, recorded the sub-sector of creative economic growth is dominated by three sub-sectors namely culinary, fashion and craft with contributions respectively 41.69%, 18.15% and 15.70%. The creative economy can develop because Indonesia has the potential of diversity of human and cultural resources.

The richness of Indonesia's abundant natural tourism potential and if combined with existing economic industries Indonesia has a great opportunity in the State's revenue. This opportunity makes every local government develop the tourism sector and Creative Industry so that is one of the alternatives that encourage regional economic growth.

The creative industry in relation to the tourism sector is more reciprocal and will form a multiplier effect and reduce the exploitation of natural resources for massive tourism development (Suriyani, 2008). The development of tourism activities will be more open opportunities for the development of creative industries that are more qualified.

But in fact, the development of Indonesia's tourism industry has not given a positive effect for the development of creative industries. In contrast, tourism can be promoted through creative industries in the form of art and cultural works such as crafts, performing arts, films and others. In general, creative industry opportunities for all regions / cities in Indonesia are very open as a result of the diversity of art, culture and cultural heritage, but there are still some problems that hamper the development of creative industries in Indonesia.

Not all regions are able to transform the creative-tourism industry into an industry that opens employment and encourages economic growth. Obstacles for the region to make the creative industry as a leading industry for the region include: (1) Lack of number and quality of human resources; (2) development of less conducive climate such as policy / regulation; (3) lack of awards for the creative industries both financial and nonfinancial; (4) rapid growth of technology and communication; (5) lack of financial support and difficulty in obtaining financing sources.

The creative economy and tourism sector are two things that are mutually influential and can be synergized if managed well (Ooi, 2006). The concept of tourism activity can

be defined by three factors, namely there must be something to see, something to do, and something to buy (Yoeti, 1985). Something to see is related to attractions in a tourist destination, something to do related to tourist activity in a tourist area, while something to buy is linked to typical souvenirs purchased in tourist areas as personal memorabilia of tourists.

In the three components, the creative economy can enter through something to buy by creating innovative products typical of the region so as to develop the concept of one village one product. This research has objectives (1) to build a strategy model of strengthening the competitiveness of creative tourism industries with local wisdom values with industrial cluster platform; (2) Developing products and services of creative tourism industry by utilizing the potential of the region's superior resources to one village one product.

Company resources are the strengths that companies can use to understand and implement their strategies (Learned, Christensen, Andrew, & Guth, 1969; Porter 1980). In Resource Based View theory, resources can create competitive advantage. The resources in question are assets, capabilities, organizational processes, company attributes, information, knowledge, and what is under the control of the company that enables the company to implement the strategy efficiently and effectively (Daft, 1983).

Cluster is a grouping of various companies in the same business sector within a particular region. In a cluster consisting of core industries, related industries ie supporting businesses for production such as suppliers of raw materials, supporting industries and other services that in its development is not focused on the core but as a whole as an intermediary trader.

The key to sustainability of cluster development is the creation of collaboration between stakeholders and collective efficiency that can be done on all stages of production ranging from supplying product input, production process, marketing and distribution to final consumer. Cooperation in the cluster business environment provides positive benefits by creating a mutually beneficial value chain of production so that mutual business productivity can be improved. This approach is very powerful in improving the ability of innovation and global competitiveness of SMEs.

In the literature on SME development there is a mutual agreement that there are at least three major advantages of SME development based on clustering (Tulus, 2001): (a) SMEs are easier to overcome all the shortcomings in all aspects of business from raw material procurement, distribution and marketing, funding, machine repair, etc., than if SMEs operate independently.

SMEs in a cluster will enjoy what is meant by economic gain agglomeration; (b) More efficient and effective in the provision of assistance or cooperation between SMEs with other parties, for example, in subcontracting activities, banking in lending, and exporters, traders or distributors in marketing. This effect is referred to as collective efficiency; (c) The process of transitioning technology / knowledge from outside sources (e.g

from multinational companies) to SMEs and dissemination among fellow SMEs is easier, more efficient and more effective in a cluster than if SME units are very scattered location one from the other. This also means that innovation is easier to happen in a cluster. The activity of industrial cluster establishment is done simultaneously with stakeholder mobilization starting from initiation phase, planning and implementation of strengthening competitiveness agenda.

The key to the success of clustering is determined by three factors: the first factor, planning involving all key stakeholders in both the strengthening of the reinforcement agenda and in the sharing of tasks and resources on program implementation. The planning process that involves the participation of all the key stakeholders that exist, is essential for the agenda of the program to be truly realistic and acceptable to stakeholders so that in their implementation not only support but also contribute to various activities, which in turn greatly determine the success rate of the program.

The second factor is the joint planning that is contained by an approach that is characterized as: market-driven, ie focusing on meeting the supply and demand side; inclusive which includes not only small-scale and medium-sized enterprises but also large companies and supporting institutions, collaborative; which always emphasizes collaborative solutions on the common issues of all stakeholders (Government, state-owned and large private sector, SME actors and innovation sources); strategic nature that helps stakeholders create a common strategic vision that involves economic and value-creating, which seeks to create or increase the added value of economic actors.

The third factor relates to resource utilization in particular, resource-risk and benefit-sharing schemes and participatory processes are the agreed framework of foundation work with key partners and stakeholders in the development of business models in building sustainability initiatives. Although this activity is community empowerment, it is not automatically defined as charity.

The empowerment process needs to be directed to cultivate attitudes and behaviors of

small business actors as entrepreneurs. The rapid development of SMEs Creative Industries in terms of quantity has not been accompanied by the maximum performance due to the weak competitiveness of SMEs Creative Industries and the existence of a number of obstacles encountered.

These constraints, among others, in business activities have not been market oriented as marketing activities are still conventional and have not utilized information technology to accelerate service to consumers (Nuvriasari and Sumiyarsih, 2013), limited production facilities, lack of access to capital and limited human resources skills (Wicaksono and Nuvriasari, 2012). Limitations and disparities of the important role of SMEs in the Indonesian economy have an impact on business performance.

Increased competitiveness to improve the performance of creative industry SMEs can be influenced by market orientation and entrepreneurial orientation. The market orientation and entrepreneurship orientation are correlated but the constructs are different. The market orientation reflects the extent to which strategic market planning is driven by competitor customers and intelligence.

The entrepreneurial orientation reflects the extent to which the company's growth objectives are driven by the identification and exploitation of untapped market opportunities (Baker & Sinkula, 2009). Market orientation is defined as the most effective and efficient organizational culture in creating behaviors that are important for creating superior value for consumers and will be a superior performance for business (Narver & Slater, 1990).

A market-oriented business is committed to understanding the needs of existing customers and potential customers and the capabilities and plans of competitors through the process of obtaining and evaluating market information in a systematic and incidental pattern (Slater and Narver, 1998). Narver and Slater (1990) stated that market orientation has three components: customer orientation, competitor orientation, and interfunctional coordination.

The entrepreneurial orientation reflects the extent to which the organization is able to identify and exploit untapped opportunities (Narver and Slater, 1998). Lumpkin and Dess (1996) define an entrepreneurial orientation as a method, practice, and decision-making style of managers leading to an entrepreneurial orientation. In the practice of entrepreneur-oriented SMEs according to Morris & Paul (1987); Miller (1983) is a multidimensional construct that includes the dimensions of innovation, risk taking and proactive attitudes.

Entrepreneurship-oriented SMEs have the skills to assess consumer needs, so it may be the first to offer products and services to the market and create line and brand expansion of new target markets. SMEs with a strong entrepreneurial orientation, will develop new product concepts that lead to customer needs. The important role of market orientation and entrepreneurship orientation as the basis for the creation of competitiveness strategies for SMEs and their impact in the effort to improve the performance of SMEs can be shown from the results of previous research.

explains that market orientation and entrepreneurship orientation have a positive influence on the performance of creative industry SMEs (Hean, Thi & Hwei 2007; Nuvriasari and Wicaksono 2012; Afsharghasemi et al. 2013; Alak and Tarbieh 2011; Lecher and Gudmundsson 2014). The influence of competitive strategy on SME's performance is shown from the research of Husnah et al. 2013 and Alak and Tarbieh 2011.

The following is a conceptual framework of the Strategy Strengthening Industry-Creative-Tourism Competitiveness Based on Local Wisdom with Cluster Approach: Figure 1. Conceptual framework of the Model of Creative-Tourism Industry Competitiveness Based on Local Wisdom with Cluster Approach. METHODS There are three main stages in this study including the initial study phase, the survey stage, and the data processing stage to test the validity of the model quantitatively.

The survey was conducted on small and medium enterprises (MSMEs) of cluster members who joined in the cluster of creative tourism industry in Karanganyar District. The sampling method used is proportional random sampling. The total number of observations is 90 observations with the following details: (1) culinary cluster of 40 observations (44%); (2) souvenir or handicraft cluster of 22 observations (24%); (3) cluster of tourism objects as much as 17 observations (19%); (4) batik and fashion cluster of 7 observations (8%); (5) herbal cluster consists of 2 observations (2%); (6) performing arts cluster consists of 2 observations (2%).

The results of the survey will then be used as data to test the model that has been built in previous studies. It aims to obtain statistically valid models. Testing model using Partial Least Square method. The variables and indicators used: Resource Capability (PSDKIK), with indicator: Natural wealth (availability of raw materials) Intensification Labor and Skills Financing Technology Intensification Intensifikasi Resources External Support (DEKSTNL), with indicator: Government Policy Government Planning Program Tourism Development Stakeholder Participation Strategy for Strengthening Competitiveness – Market oriented (KSPDS-O), with indicator: Customer Orientation Competitor Orientation Interfunctional Coordination Strategy for Strengthening

Competitiveness – Entrepreneurial Orientation (KSPDS-K), with indicator: Product Innovation Technology Innovation Marketing Innovation Risk taking Partnership activities Strategy for Strengthening the Competitiveness of Creative-Tourism Industry (SPDSIP), with indicator: Intensive Marketing Strategy Customer Satisfaction Strategy Competitive Advantage Strategy Reinforcement Organizational Culture Strategy Organizational Innovation Strategy Self-Motivation Strategy Capacity Building Strategy Alliances Strategy Strengthening the Competitiveness of Creative-Tourism Industry Based on Local Wisdom (SPDSIKPB), with indicator: **One village one product** A creative economy that supports tourism Local economic development Productive economic potential based on local resources The path model consisting of four sub-structures can be spelled out through the following equations: Substructure 1: $KSPDSO = a_1 + b_1 PSDKIK + b_2 DEKSTNL + e_1$ Substructure 2: $KSPDSK = a_2 + b_3 PSDKIK + b_4 DEKSTNL + e_2$ Substructure 3: $SPDSIP = a_3 + b_5 PSDKIK + b_6 DEKSTNL + e_3$ Substructure 4: $SPDSIKPB = a_4 + b_7 SPDSIP + e_4$ The evaluation of the PLS model is divided into two phases (Vincenzo et al, 2010) as follows: Evaluation of the measurement model (outer model), ie evaluating the model that connects the indicator with the latent variable.

Test that can be done on outer model: Convergent Validity **is the value of loading factor in the latent variable with its indicators. Expected value > 0,7.** Discriminant Validity is a value of cross loading factor that is useful **to know whether the** construct has an adequate discriminant that is by comparing the loading value on the intended construct must be greater than the loading value with other constructs. Composite Reliability > 0.8 sounds high reliability.

Average **Variance Extracted (AVE) is** expected >0.5. Cronbach Alpha as a test of reliability. Expected value > 0.6 for the entire construct. Evaluation of structural model (inner model), that is evaluate **model that connects between latent** variables. Test that can be done on inner model: R-Square is the coefficient of determination in endogenous constructs. R square values of 0.67 to 1.00 (strong), 0.34 to 0.66 (strong enough), 0.20 to 0.33 (moderate) and 0 to 0.19 (weak).

Estimate for Path Coefficients is the coefficient value of the path or the extent of the latent construct relationship / influence performed by the Bootstrapping procedure. RESULTS AND DISCUSSION **Evaluation of Measurement Model** This stage includes an assessment of criteria for convergent validity. **An indicator is said to have good validity if it has a loading factor loading factor greater than 0.70. The values 0.50 to 0.60 can still be maintained** for models that are still in development stage (Vincenzo et al, 2010). Based on the estimation result using SmartPLS 2.0

program application loading factor above 0.50. The next stage assesses the criteria of

composite reliability and average variance extracted (AVE). Each construct is said to be reliable if it has a composite reliability greater than 0.70 and AVE greater than 0.50. Based on table 1 it can be seen that the entire construct has a composite reliability greater than 0.70. Cronbach's Alpha > 0.60 (Nunnally, 1967).

AVE is smaller than 0.50. Although the results of AVE estimation are not all eligible, but all composite reliability has shown reliable results, it can be concluded that all exogenous, endogenous, and moderating constructs are reliable (Vincenzo et al, 2010). Table 1.

Value of Composite Reliability and AVE

Construct	Composite Reliability	AVE	Cronbach's Alpha
_PSDKIK DEKSTNL KSPDS(O)	0,799	0,898	0,773
_PSDKIK DEKSTNL KSPDS(K)	0,794	0,866	0,802
_PSDKIK DEKSTNL SPDSIP	0,944	0,255	0,342
_PSDKIK DEKSTNL SPDSIKP	0,255	0,342	0,340
_PSDKIK DEKSTNL SPDSIKP DEKSTNL	0,333	0,243	0,505
_PSDKIK DEKSTNL SPDSIKP DEKSTNL SPDSIP	0,089	0,728	0,878
_PSDKIK DEKSTNL SPDSIKP DEKSTNL SPDSIP SPDSIKPB	0,659	0,704	0,848
_PSDKIK DEKSTNL SPDSIKP DEKSTNL SPDSIP SPDSIKPB SPDSIKPB	0,669	0,943	0,943

Structural Model Evaluation Evaluation is an inner result analysis of the relationship model between constructs.

The relationship between constructs can be said to be significant if it has a t-statistic value greater than 1.96. Estimation result of relation between construct can be seen through table 2. Table 2. Path Coefficients, P-value dan R-Square Sub Structure

Endogen Variable	Exogen Variable	Path Coefficient	P-value	R-Square
_KSPDS(O)	_PSDKIK DEKSTNL (Moderating)	0,491	-0.097	0,004***
_KSPDS(K)	_PSDKIK DEKSTNL (Moderating)	0,206	0.048	0,063*
_SPDSIP	_KSPDS(O) KSPDS(K)	0,599	0,226	0,215
_SPDSIKPB	_SPDSIP	0,760	0,199	0,58

Based on table 2, it can be seen that the R-square value for sub structure 4 is 0.58.

Performance Variables Strengthening Competitiveness of Creative-Tourism Industry Based on Local Wisdom (SPDSIKPB) as dependent variable, so it can be stated that this research is able to describe real condition in moderate to high range. Model of Strategy Strengthening Competitiveness of creative-tourism industry based on local wisdom has goodness of fit and model can be implemented.

Path Diagram using Smart PLS as follows: / Figure 2. Path Diagram Model of Strategy Strengthening Competitiveness of creative-tourism industry based on local wisdom Model validation in the previous stage shows the factors that influence the Strategy Strengthening Competitiveness of Creative-Tourism Industry Based on Local Wisdom consists of: (1) variables that describe the input dimension that is Resource Capability; (2) the variables that describe the process dimension of the Strategy for Strengthening the Creative Industry Competitiveness of Tourism, both market-oriented and entrepreneurial; (3) variables that describe the performance dimension of the Strategy

for Strengthening the Competitiveness of Creative-Tourism Industry Based on Local Wisdom; and (4) variables describing moderating factors or facilitating the interconnection between factors in the dimensions of input, process and performance.

The discussion of the relationship of each dimension is related to the findings of the research results as follows: Competitiveness Enhancement Strategy - market oriented and entrepreneurship oriented were influenced by Resource Capabilities. This indicates that in order to improve competitiveness of both market-oriented and entrepreneurial competencies, it is supported by the available resources capability such as raw material availability, human resource and skills intensification, capital, technological intensification and resource intensification.

Intensification is the effort to increase production by increasing the ability or maximize the productivity of existing factor of production. Intensification of resources is done by highlighting the value of local wisdom. Strategy to increase competitiveness with market oriented is more dominant than entrepreneurial oriented in influencing the strategy of strengthening the competitiveness of the tourism creative industry Dominant indicators are related to consumer orientation.

Policies taken are how to create consumer satisfaction, prioritize the quality of products and services with certain characteristics or uniqueness while still highlighting the traditional characteristics. Competence Strengthening Competition Policy - Entrepreneurial orientation affects the Improvement of the Creative Industry Competitiveness of Tourism in terms of creating product or service innovation, technology, and marketing.

The Strategy for Strengthening the Competitiveness of Creative Tourism Industry is done by prioritizing (based on high correlation values between existing strategies): (a) Intensive Marketing Strategy; (b) Competitive Advantage strategy; (c) Reinforcement Organizational Culture Strategy; dan (d) Alliances Strategy. External support in the form of stakeholder participation and government policy to support the achievement of strategy not as moderating but as a predictor for the success of Strategy Strengthening competitiveness Competence both market oriented and entrepreneurial oriented.

The result of strengthening the strategy of competitiveness gives positive direction to the performance of Strategy Strengthening the competitiveness of creative industries-tourism based on local wisdom, among others, one village one product.

MANAGERIAL IMPLICATION The model of a strategy to strengthen the competitiveness of the tourism creative industry with the value of local wisdom can be implemented in the region through local government policies.

Policies that can be carried out include the preparation of programs, providing facilities and encouragement in an integrated manner with agencies related to the activities of business actors incorporated in the tourism creative industry cluster. Programs carried out include intensification of regional resources by highlighting the value of local wisdom.

Each region has local superior products that will create **one village one product** (OVOP). The development of creative-tourism industry products can be done by utilizing the tourism potential of the region with **the creation of a** creative economy that uses the concept of three-factor tourism activities **something to see, something to do, and something to buy** (Yoeti, 1985).

Something **to see related to attractions in tourist destinations, something to do related to** tourist activities in tourist areas, **while something to buy** is related to typical **souvenirs purchased in tourist areas as** a personal memorabilia of tourists. The following table 3 is a form of creative economic development of tourism value of local wisdom that leads to one village one product. Table 3.

Implementation of developing creative-tourism industries based on local wisdom towards OVOP Activity _Creative – Tourism Industries _ _Something to see _Annual events or events such as festivals, carnivals, carnations, performances, and traditions held in Karanganyar district and surrounding areas include: Traditional Ceremony Mondosiyo. It is a traditional ceremony of clean village with various offerings and enlivened with traditional art community.

The ceremony is held in Tawangmangu sub-district every 7 months precisely on Tuesday kliwon wuku medangsia. Mountain Culture Festival Parades and food festivals characterize the mountains. Tradition of Dhukutan. Clean village tradition ceremony that is also implemented by the community Nglurah Tawangmangu District.

Tradition ceremony is held every tuesday kliwon day wuku dhukut on calendar calculation of Java. Temple Art Festival It is an appreciation of art both **traditional art and contemporary** art by art community from inside and outside the country. This festival is held in the framework of Grebeg Lawu activities held during the month of Sura and held in the courtyard of Sukuh Temple. Lesung Festival.

Held on the basis of noble values and social values of togetherness (gotong royong) and magical religious values. Reyog Festival. It is a reyog arts scene that develops throughout the region in Central Java and East Java. Held every year in Karanganyar.

Piodalan Ceremony. It is a Hindu community ceremony in commemorating the founding of a temple and held in Pure Pamacekan Karangpandan.

Piodalan ceremony is held every 210 days Mahesa Lawung. Labuhan Mahesa Lawung is the ceremony of Wilujengan Nagari Keraton Kasunanan Surakarta which is held once a year, in the month of Rabiul Akhir. This ritual was held on Thursday Pon, 1 Rabiul Akhir 1943 in Krendowahono Forest Gondangrejo. Celebrating Saraswati. Held at Puri Saraswati Cetho temple complex.

Srawung Art Temple. It is an appreciation of art both traditional art and contemporary art by art community from inside and outside the country. The event is held at Suku Temple yard and Garuda court. Thinthir Tours _ _Something to do _Tourists apply as active consumers, not only see the attractions and buy souvenirs but participate in attractions include: Picked strawberry fruit in Tawangmangu Picked Guava frit in Ngargoyoso Tubing Tours in Goasari Ngargoyoso Campground Lawu Resort _ _Something to buy _Souvenir (handicraft or memorabilia) Culinary of local excellent products Culinary of Herbal drink Fashion Batik typical local wisdom _ _ Table 4 shows culinary and handicraft mapping in each village in Karanganyar District. Each village has a local flagship product. Table 4.

Creative-Tourism Industry with Intensification of resources of local wisdom to OVOP Sub-District _Prominent input _Local Excelent Product _ _Tawangmangu _Fruit and vegetables _Fruit and Vegetables Chips _ _Ngaryoyoso _Purple Yam Yam Guava _Timus, Bollen Getuk Dodol Guava _ _Kemuning _Tea _Kemuning Tea _ _Jumapolo _Medicinal plant _Herbal drinks _ _Matesih and Karangpandan _Batik Wood and Bamboo _Modern and Clasical Batik Fashion Souvenir/ handicraft characteristic of Karanganyar _ _Jenawi _Cassava, Banana _Sub-District Prominent input Local Excelent Product _ _ CONCLUSION The model of the strategy for strengthening the competitiveness of creative-tourism industries based on local wisdom is the development of integrated tourism policy and creative economy with sustainable utilization of potential local superior resources.

This strategy model creates creativity-based business opportunities by exploring the culture and values of local wisdom so it is expected to: (1) create a local superior product that is one village one product; (2) increasing the income of the community and UMKM in the Tourism area and simultaneously reducing unemployment in the region. Intensification of resources is done by highlighting the value of local wisdom.

Intensification of resources with the value of local wisdom creates one village one product. Intensification of resources positively impacts the policy of strengthening market-oriented competency and entrepreneurial strategies. Strategy of strengthening

the tourism creative industry prioritizes intensive marketing strategy, competitive advantage strategy, reinforcement organizational culture strategy and alliances strategy.

Suggestions from this research are the Creative Industry Competitiveness Technique Model of Tourism can be applied in Indonesia area or region, especially Karanganyar Regency, considering that Indonesia's abundant natural wealth and each region have unique local wisdom and culture. The limitations of this study are requiring (1) other strategy analyzes e.g

SWOT analysis, Analytical Hierarchy Process in order to determine a more appropriate strategy; (2) forum group discussion between business actors, government and stakeholders (Higher Education, Regional Economic Development Forum, large Entrepreneur) to determine follow-up of model implementation.

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