The Development of Palembang Tourism Design by Utilizing MICE Excellence and Community Care in Tourist Attraction Regions

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Abstract: Since the declaration of Palembang becoming a tourism destination in the MICE (Meetings, Incentives, Conventions and Exhibitions) segment in 2011, various facilities and infrastructure necessary for the MICE activities have been constructed. A number of MICE events, such as SEA Games, the International Solidarity Games, Management Conference VII, have been held in Palembang and this year Palembang will hold ASEAN Students Sports Week. However, theseevents have not had a significant impact on the number of tourists visiting the tourist objects in Palembang; even in 2013 the number of tourists decreased by 18.45%. The room occupancy rate of star hotels in South Sumatra has increased 46.52%, but the average length of stay of foreign and domestic tourists instar hotels has decreased by 0.20 days. Likewise, the number of foreign tourists coming to South Sumatra has substantially decreased by 18.45%. Based on these situations, the researchers would like to provide a solution,to find a form of tourism which iscombined with the MICE tourism. Having found a form of collaborative tourism, there would be guidance to the people living in and near the tourist sites so that the people around the leading tourist attractionswould care and maintain the tourist objects and be able to describe them if requested by the tourists. To this end, the researchers would study the tourism management in the island of Bali and Yogyakarta. On the basis of our experience, the level of participation of the people in both places is very high and they are able to provide a detailed explanation to the tourists. The initial step of this study isbehaviour and objective mapping of the tourists coming to the city of Palembang with the purposes of MICE. The data were collected fromthe tourists staying at the hotels chosen by certain criteria. The results of the interviews with the tourists would show the tourist segmentation. The segmentation would determine the tourism design. Based on the tourism design produced, the researchers would invite the community around the tourist objects and provide them with the knowledge of tourism and excellent services. Next, there would be a national seminar to improve the tourism design produced. The final step of this study is to write the books on sustainable tourism management, leaflets, and booklets.

Key words: MICE tourism; tourism design; excellent tourism
JEL code: M

1. Background

The development of MICE (Meetings, Incentive, Conferences and Exhibitions) tourism has been giving colour to the types of service industry that are identical to the provision of services. The MICE tourism also gives great

benefits to tourism entrepreneurs. The development of MICE tourism as a new industry could be beneficial to many parties because MICE tourism is a complex industry. This is the reason forthe growth of MICE organizing entrepreneurs, so it is an undeniable fact that MICE tourism as today's industry is much in demand by business people.

Palembang is one of the citieshaving been designated as a MICE tourism city, besides 10 major cities designated as the MICE tourism cities, namely Jakarta, Bali, Bandung, Yogyakarta, Makassar, Surabaya, Medan, Manado, Semarang and Batam. Palembang to become a MICE tourist destination must have the support from all elements, such as government policies, readiness of means of transportation, stakeholders, tourism organizations, such as ASITA and IHRA, supporting infrastructure including, among others, hotels, restaurants, tourist attractions, and tour guides.

However, in practice MICE tourism in Palembang is not without a hitch. The difficulties are:

(1) Lack of awareness of a tourist destination about the importance of MICE activities

(2) Lack of MICE promotion

(3) Absence of online and comprehensive MICE database

(4) Difficult accessibility to the natural tourist attractions

(5) Lack of routine arts and cultural performances

(6) Limited representative souvenir shops

(7) Relatively high price of good quality food

(8) Lack of concern and language used by the people around the tourist objects

Besides the above problems, on the basis of our observations in Palembang, there is no tourism design which is in harmony with the MICE activities. Based on this background, the researchers were interested in studying and designing tourism activities that can be applied to MICE.

2. Formulation of the Problems

From the background above, the researchers formulated some problems as follows:

(a) How to map the consumers' behaviours in terms of demographic aspects and objectives of MICE participants coming to the city of Palembang?

(b) How to design the tourismthat can support MICE activities based on demographicand tourist objective mapping?

(c) What are the roles of tour guides in the tourism design?

(d) How to keep the sustainable implementation of tourism designcombined with MICE activities?

3. Objectives of the Study

The objectives of this study are:

(a) To produce a mapping based on demographics and objectives of MICE participants coming to the city of Palembang,

(b) To produce a tourism design that can support MICE activities based on demographic and tourist objectivemapping,

(c) To describe the roles of tour guides in the tourism design,

(d) To haveMOUs with relevantgovernment departmentsso that the tourism design could be sustainably

implemented.

4. Literature Review

4.1 Concept of Tourism

In abroad sense tourism is a recreational activity outside one's domicile to break away from the routine or look for another atmosphere (Weber et al., 2006, p. 1). According to Wahab (2003, p. 3), tourism can be seen as something abstract, for example, as a phenomenon depicting the departure of people within their own country (domestic tourism) or crossing the bordersinto a country (international tourism). Therefore, tourism is composed of three elements, namely: human (the human element as the doers of tourism activities), place (the physical element actually covered by the activity itself), time (the tempo element spent in the journey itself and the dwelling at the destination) as well as the tourism industry that provides the services, attractions, and atmospheres.

4.2 Characteristics of Tourism

Tourism is a combination of goods and services. Both are important, needed and produced by the tourism industry. Basically, tourism has unique characteristics (Ismayanti, 2010), namely:

(a) A blend of transitory nature (intangible) and tangible nature

(b) Inseparable nature

(c) Volatility

(d) Diversity

(e) Fragile nature (perishable)

(f) Seasonality

(g) No ownership

4.3 MICE Tourism

MICE tourism consists of four main activities, namely meetings, incentives, conventions and exhibitions. These four types of activities are an attempt to provide services for a meeting of a group of people (business people, scholars, government and private-sectorexecutives) to discuss various issues related to common interests as well as to showcase theirbusiness products (Deni, 2011). The deciding factors in choosing the MICE destinations, according to Ismayanti (2010, p. 169), are, among others:

(1) Security

(2) Prices

(3) Ease of Access

(4) Facilities

(5) Infrastructure

(6) Leisure Time Attractions

(7) Discussion

These seven factors were the indicators of the study, which would determine the tourist segmentation and the MICE tourist behaviour mapping. The results of this mapping would determine the design of comprehensive and integrated tour packages. The framework of this study can be seen in the following figure:
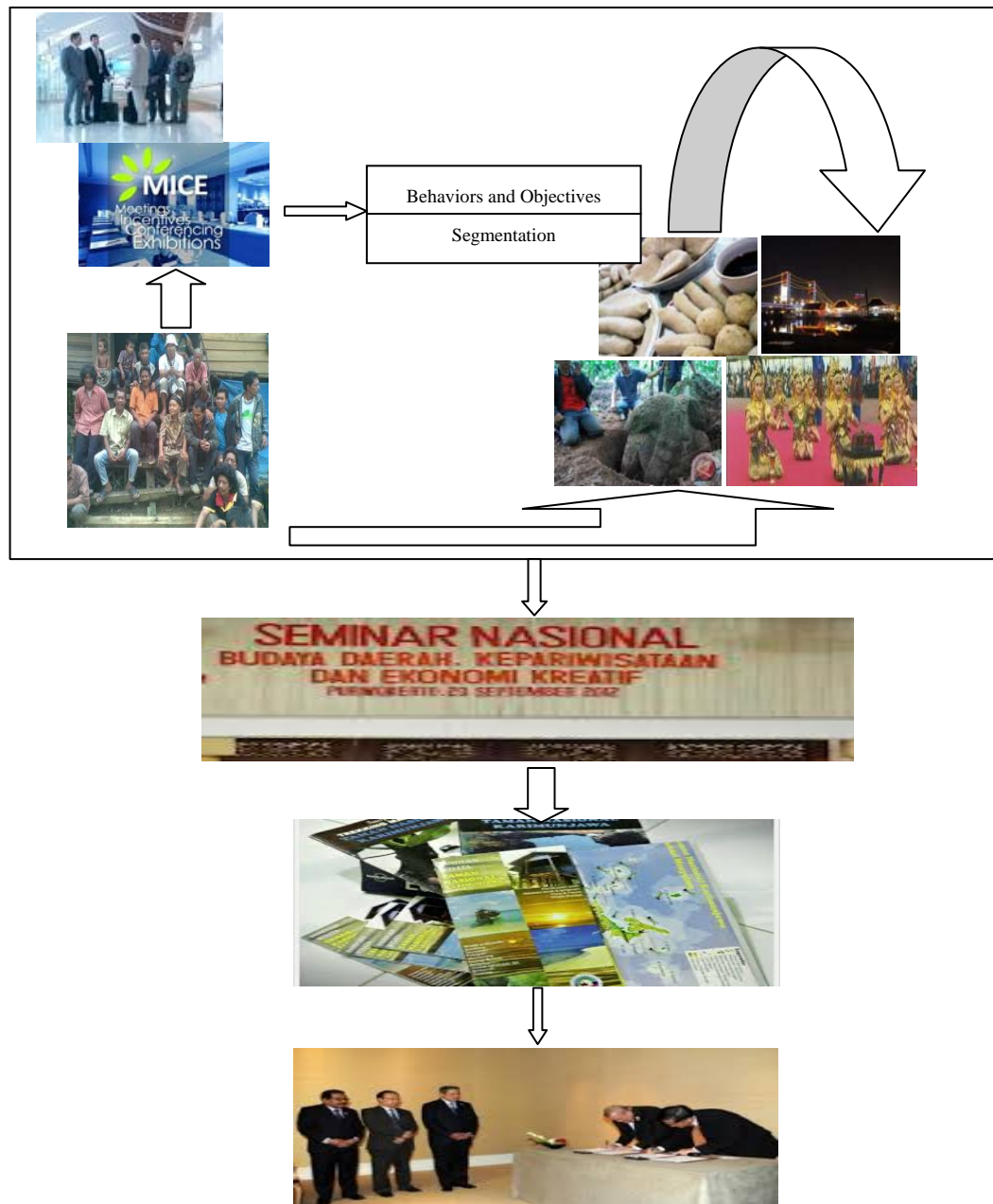
Figure 1   Research Framework

5. Research Methodology

5.1 Variable Operationalization

The variables of this study were Tourism Product Design and MICE Tourism. The design of tourism products is the arrangement of tourist objects in the city of Palembang with the indicators of natural, historical, cultural, and culinary tourism. MICE tourism is a sector of the tourism industry whose activities are intended to unite the information providers and the recipients (tourists) with the indicators of security, prices, convenience, facilities, infrastructure, leisure time attractions, language.

5.2 Population and Sample

The population of this study was all the hotel visitors in the city of Palembang with the purpose of participating in one of the MICE activities. Because the population was infinite, then the samples taken from the population were the visitors of the hotels presumably having more than 100 rooms and having already been in operation for at least three years in the city of Palembang. There were 10 out of 29 star hotels chosen in this study. Then, the sampling for the questionnaire was based on the opinion of Hairs, Anderson, Tatham, and Black (1998) that the sufficient amount of data is at least 5 times the number of items. There were 35 items in the questionnaire; therefore, the minimum required sample sizewas 175 respondents. The study used simple random sampling. The samples were selected with the criteria of the guests coming to Palembang and staying for the purpose of MICE activities. The distribution of samples selected from 10 hotels is as follows:

Hotel Name	Number of Rooms	Number of Samples
Aryaduta	194	22
Arista	142	16
Novotel	194	22
Sanjaya	172	19
Daira	173	20
Aston	163	19
Grand Zuri	154	17
Lembang	100	12
Royal Asia	140	16
Duta	107	12
Jumlah	1,539	175

Source: processed from *Sumsel dalam Angka* 2014

5.3 Data Collection Techniques

To obtain the data above, the necessary data collection techniques were:

Questionnaire, a list of questions posed to the respondents on the matters relating to the behaviors of MICE tourists;

Documentation, i.e., the data obtained from the documents of each hotel, Tourism Office related to the MICE activities.

5.4 Data Analysis Techniques

According to Patton (in Hasan, 2009, p. 29), data analysis is the process of ordering the data, organizing them into a pattern, category, and unit of basic description. The purposes of data analysis are, among others, to solve problems, to show relationships and to make conclusions. The main analysis tool often used in data analysis is the descriptive method.

6. Research Results and Discussion

6.1 Tourism Conditions in Palembang City

Palembang as the capital of South Sumatra Province has a lot of potential for cultural tourism assets. The city more than 13 centuries old has left many interesting historical traces to explore. Chronologically, the relics are from the time of the Srivijaya Kingdom, the Palembang Darussalam Sultanate until the Dutch colonial era. In the Srivijayaera the city was generally located in the Musi River meanders in the form of natural levees or elevated grounds.

In the time of the Palembang Darussalam Sultanate, the city activities were concentrated along the Musi River bank. Most settlementswere located on the north bank of the river, such as the palace, mosques and folk residences. Wood or bamboo houses with palm-leaf thatched roofs werebuilt on stilts.There were also raft houses moored beside the Musi River bank.

After the abolition of the Palembang Darussalam Sultanate in 1823, the area around *Benteng KutoBesak* (Fort Kuto Besak) became the administrative area of the Dutch East Indies, headed by a resident. At the time, *Benteng Kuto Besak*, originally the residence of the Sultan of Palembang, became the military installations and the residence of Dutch East Indies commissioner, government officials, and military officers. In general, the development of Palembang into a modern city was done by the Dutch East Indies governmentstarting in the early twentieth century AD. Based on the Decentralization Law issued by the Dutch East Indies government, Palembang wasdesignated to be a *gemeente* on 1 April 1906 with Stbl No. 126 and headed by a *burgemeester*, which in the current governance structure is equivalent to a mayor. Nevertheless, the first *burgemeester* of Palembangnamed LG Larive was appointed in 1919. At the time, the center of Palembang administration was moved to a new location, which was west of *Benteng Kuto Besak*. Public buildings were built in this area, and the market which was originally on boatson the Musi River was permanently moved to the east of the fort. In the Palembang city planning in the twentieth century AD, there was also the location of the European settlement in the west of the fort. Nowadays we can see the location around the area of *KambangIwak*. In general, the archaeological remains to be the city's tourist objects can be found in *Benteng Kuto Besak* and the surrounding areas, along *Merdeka Street* and *Talang Semut*. In these areas, we can still find ancient buildings dated from the Sultanate and theDutch colonial era. In *Benteng Kuto Besak* area, we can still find Palembang Great Mosque, Museum of Sultan Mahmud Badaruddin II, and the House of Chinese Lieutenant. Along *Merdeka Street* and the surrounding areas, there are still some ancient buildings from the colonial era, such as Palembang Mayor's Office, and the Office of South Sumatra's Regional Research and Development Board. Around *TalangSemut*are a school and an ancient church. We can still see the landscape like a network of roads that follow the hilly ground contours.

The charm of the buildings along *Merdeka Street* and *Talang Semut* is theunique architecturalstyle which once became the lifestyle trend in Indonesia in the early twentieth century, and was known as "Indies Style". The uniqueness reflected in the buildings lies on the incorporation of European and Indonesian architectural styles. Of course, it requires careful and comprehensive planning to makethe archaeological remains become tourist attractions. The area where the archaeological remains areconcentrated should be first determined asa "historicalregion". Public facilities need to be provided in the region because they are very important for the preservation of archaeological remains there. With the development of all public facilities, the touristswill not focus in one place and they can be controlled. It is believed that if only all aspects or potential venues in Palembang are cared for and managed as well as possible, Palembang will have tourist objects not inferior to those of other provinces in Indonesia. There are many other places to be potential touristobjectsin Palembang, such as Sabokingking, which was believed to be the capital of the Srivijaya Kingdom, Sriwijaya Kingdom Archaeological Park, and the Ampera Bridge connecting *Ilir* (downstream) and *Ulu* (upstream) regions. The classification of tourist objects in the city of Palembang is nature tourism, culinary tourism, industrial tourism, cultural tourism, religious tourism.

6.2 Tourist Mapping

The mapping was made on the basis of MICE tourist behaviours in terms of demographic and motivational aspects. The demographic aspectsare shown in the following tables:

(1) Based on Age

Age	Total	%
15-25 years	138	55.42
26-35 years	63	25.30
36-45 years	28	11.24
> 46 years	20	8.03
	249	100.00

(2) Based on Sex

Sex	Total	%
Male	147	59.04
Female	102	40.96
	249	100.00

(3) Based on Domicile/Origin

Domicile/Origin	Total	%
Palembang	11	4.42
Outside Palembang (Region)	48	19.28
Outsidethe Province	126	50.60
Abroad	64	25.79
	249	100.00

(4) Based on Marriage Status

Marriage Status	Total	%
Unmarried	81	32.53
Married	168	67.47
Ever married	0	
	249	100.00

(5) Based on Education

Education	Total	%
Elementary School	3	1.20
Junior High School	17	6.83
Senior High School	137	55.02
Bachelor's Degree	89	35.74
Postgraduate Degree	4	1.61
Doctorate Degree	0	-
Others	0	-
	200	100

(6) Based on Occupation

Occupation	Total	%
Civil Servants	14	5.62
Private Sector	77	30.92
Professionals	10	4.02
Others		
	249	100.00

(7) Based on Family Status

Family status	Total	%
with children	80	32.13
without children	166	66.67
Others	3	1.20
	249	100.00

(8) Based on the Number of Children

Number of children	Total	%
0	166	66.67
1 child	23	9.24
2 children	33	13.25
3 children	18	7.23
> 3 children	9	3.61
	249	100.00

(9) Based on Average Daily Spending

Spending	Total	%
< Rp. 250,000	192	77.11
Rp. 250,000–Rp. 500,000	30	12.05
> Rp. 500,0000–Rp 750,000	18	7.23
>Rp. 750,000–1,000,000	5	2.01
> Rp. 1,000,000	4	1.61
	249	100.00

(10) Main Motivation to VisitPalembang

Motivation	Total	%
Recreation	32	12.85
Research/Study	5	2.01
Meeting	158	63.45
Others	54	21.69
	249	100.00

(11) Sources of Information about Palembang

Sources of Information	Total	%
Travel Bureaus	12	4.82
Friends	165	66.26
Brochures	3	1.21
Others	69	27.71
	249	100.00

(12) Visited Tourist Objects

Tourist Objects	Total	%
Punti Kayu	66	11.92
Benteng Kuto Besak	169	30.59
Pulau Kemaro	89	16.09
Danau Opi	70	12.66
Others	159	28.74
	553	100.00

(13) Total Travel Costs in Palembang

Travel Costs	Total	%
< Rp2,000,000	166	66.67
Rp2,000,000–Rp5,000,000	23	9.24
Rp5,000,000–Rp8,000,000	33	13.25
> Rp8,000,000	18	7.23
	249	100.00

(14) Based on Types of TourismWanted

Types of Tourism	Total	%
Cultural Tourism	41	16.46
Nature Tourism	105	42.17
Culinary Tourism	103	41.36
Total	249	100.00
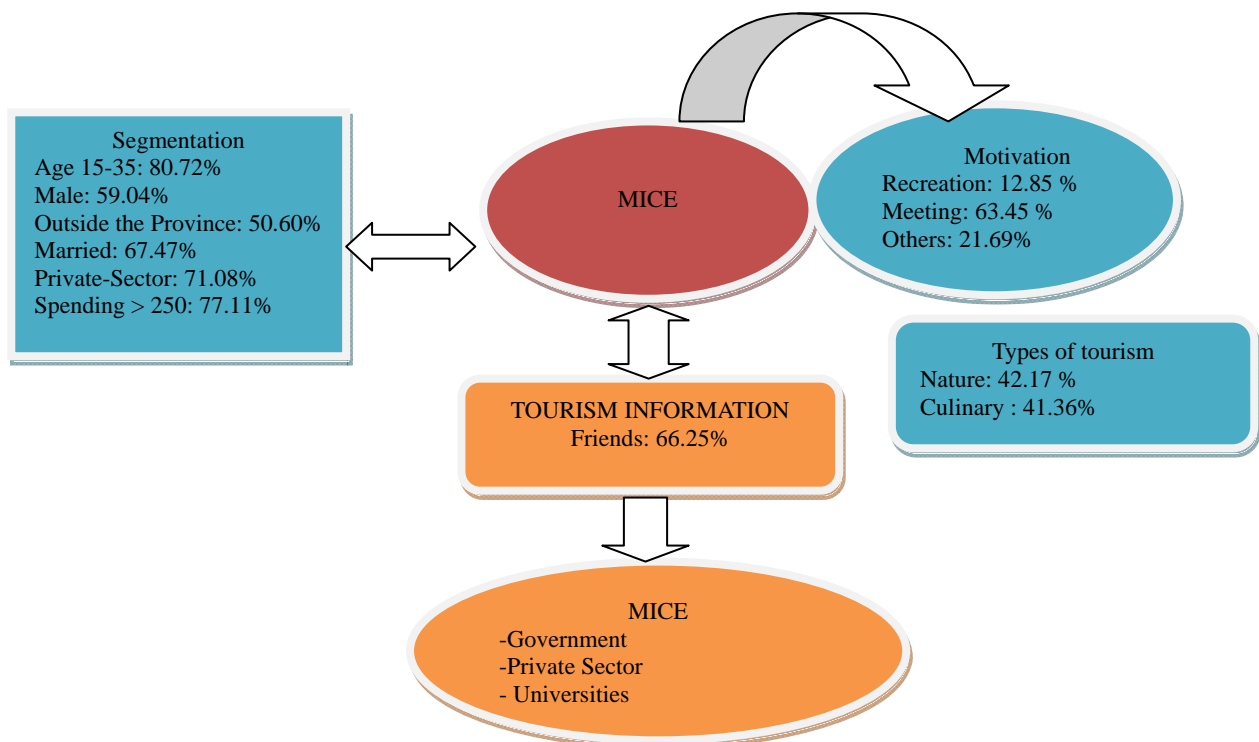
Figure 2   Palembang Tourism Design

7. Conclusions and Suggestions

7.1 Conclusions

From the discussion, some conclusions are drawn, as follows:

(1) The results of demographic mapping of tourists coming to the city of Palembang were at the age of 15-35 years, more males, from the regions outside the province, married status, mostly self-employed, and average spending above Rp. 250,000.

(2) The highest motivation was for meetings, recreation 12.85%. This will become a challenge as well as an opportunity to increase MICE tourists, not only for the events but also for enjoyingthe tourism in Palembang in

particular and in South Sumatra Province in general.

(3) Types of tourism desired by the tourists were nature tourism and culinary tourism.

(4) Information about Palembang obtained by MICE participants was mostly from friends.

7.2 Suggestions

(1) The tourism design produced could be implemented so that MICE participants coming here will not only focus on the events but also enjoy the tourism in the city of Palembang.

(2) There should be extensive information on Palembang tourism.

(3) Tourism care groupscan become part of the tourism activities in the city of Palembang.

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