



## Marketing of Rural Tourism Destinations: The Role of Bumdes in Empowering Small and Medium Enterprises Products of Local Wisdom in East Java

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### **Abstract**

This study aims to (a) identify the potential of rural tourism for the empowerment of MSMEs of local wisdom products in East Java and (b) analyze the role of Village BUM in empowering MSMEs in rural tourism. (c) develop a rural tourism marketing strategy based on local wisdom. The research design is applied research, with the subject of the study being a rural tourism object managed by the Village Owned Agency (BUMDES) in East Java. Research informants include BUMDES administrators, MSME actors, and tourists. Data analysis using qualitative descriptive analysis and SWOT analysis. The results of the data analysis shows that the potential for rural tourism in Sanankerto tourism village, Turen District, Malang Regency is bamboo tourism "Boonpring" which has a collection the 115 largest bamboo in ASEAN. This tourist village is managed by BUMDES Kerto Raharjo. The potential of Pujon Kidul tourist village, Pujon District, Malang regency is a rice field café, which is a café designed to be located in the middle of rice fields managed by BUMDES Sumber Prosperous. While the tourism potential of Kendalbulur village, Boyolangu District, Tulungagung Regency is Nangkula Park, namely the innovation of Celosia flower tourism and sports that managed by BUMDES Larasati. From the three tourism villages, it can be seen that the role of BUMDES is almost the same, namely as a motivator for community empowerment to increase the original income of the village which is in Finally, it aims to improve the welfare of the village community.

**Keywords:** *Rural Tourism Marketing; BUMDES*

### **Introduction**

Government Regulation of the Republic of Indonesia Number 11 of 2021 concerning Village-Owned Enterprises shows that BUMDES is a legal entity established by villages and/or with villages to manage the business, utilizing assets, developing investment and productivity, providing services, and/or providing other types of business for the benefit of the community Village. Based on this definition, it is clear that tourism village management should indeed be managed by BUMDES as an institution that houses all business activities in rural areas. The marketing strategy of the village is essentially the art of managing resources in rural areas that will be used as a great part of the prosperity of the village

community. Kotler & Armstrong (2010) states that there are 7 indicators to measure service marketing (tourism) called the marketing mix. The seven indicators include *product, price, place, promotion, people, process* and *physical evidence*. Different types of goods or services will have an impact on the marketing strategy used. About rural tourism, generally villages have potential which varies. There are tourist villages that have tremendous natural potential such as beaches, mountains, waterfalls, and lakes. But there are also tourist villages that rely on their unique potential, such as cafes that are packaged in the middle of rice fields, handicraft industries that are produced in the village, and there is also a tourist village that relies on its cultural potency. The results of research by Jaafar et al. (2014) and Wardoyo et al (2020) show that the presence of MSMEs in rural tourism contributes to attracting tourists to visit. Based on data from the East Java Provincial Government, the number of BUMDes was recorded at 6,118 units with an advanced classification of 537 BUMDes, developing 2,285 BUMDes, and beginners 3,296 BUMDes. This shows that the number of BUMDES yang advanced is still less than 10%. Other data shows that as many as 267 tourism villages are managed by BUMDES, this means that not all BUMDES that manage tourism villages are included in the advanced category (<https://www.suarasurabaya.net/kelanakota/2021>). Therefore, the contribution of BUMDES in helping the marketing of tourist villages is still questionable. Forming a tourist village requires community commitment in the village in addition to the involvement of outside parties. There needs to be multidirectional communication between the community, village government, and BUMDES related to tourism village marketing. Based on the above problems, the purpose of this study is to (a) identify the potential of rural tourism for the empowerment of MSMEs of local wisdom products in East Java (b) analyze the role of Village BUM. in empowering MSMEs in rural tourism (c) develop a rural tourism marketing strategy based on SWOT analysis. The urgency of this research is to help solve marketing problems in rural tourism objects in East Java, especially tourism villages managed by Village BUM. The output of this research is in the form of publications in international journals, book chapters and IPR.

## Methods

This type of research is applied research, which is research that aims to provide practical alternative solutions to certain problems faced by research subjects. While the type of research is action research, namely applied research that focuses on social actions to develop the conditions and lives of the research subjects. The level of Technology Preparedness (TKT) in this study is at level 6, namely the demonstration of models in the relevant environment. The subjects of the study were bumdes managers, MSME actors in tourism villages and tourism village communities in 3 tourist villages in East Java, namely:

1. Sanankerto tourist village, Turen District, Malang Regency.
2. Pujon Kidul Village, Pujon District, Malang Regency, and
3. Kendalbulur tourist village, Boyolangu District, Malang Regency.

The reason for choosing the three locations is because the three villages have obtained extraordinary achievements at the regional and national levels. Sanankerto tourist village was once the top 50 IDW in 2021. Pujon Kidul Village has won 1st place in the 2019 national level tourism village competition. Kendalbulur Village was once an IK (Innovative and Creative) village in 2020. The instruments used in the study were interview guidelines, observation sheets and documentation. Interview guidelines were developed based on the role of informants in the empowerment of tourist villages. Here is the grid of instruments used in this study.

Table 1. Research Instrument Grids

| No | Required data                      | Question items   | Instruments used                                       |
|----|------------------------------------|--|--|
| 1  | Tourism village potential          | <p>This tourist village was established from when</p> <p>Is there a legal basis for the formation of a tourist village</p> <p>What potential is offered to tourists</p> <p>What is the organizational structure</p> <p>How do the description of each part in the organization structure</p> <p>How is the promotion strategy that has been used</p>   | Guidelines for interviews, observations, documentation |
| 2  | The role of BUMDES                 | <p>When was BUMDES in this village formed</p> <p>What is the organizational structure</p> <p>What business units are managed by BUMDES</p> <p>How is the role of BUMDES in empowering village tourism</p> <p>What has been done to empower tourism villages</p>  | Guidelines for interviews, observations, documentation |
| 3  | Tourism village marketing strategy | <p>What potential does this tourist village offer to potential tourists</p> <p>Is it a digital media link that can be accessed by tourists in connection with the potential offered by tourist villages?</p> <p>What are the advantages / uniqueness of the potential of this tourist village when compared to other tourist villages in East Java?</p> <p>What are the potential shortcomings of this tourist village when compared with other tourist villages in East Java?</p> | Guidelines for interviews, observations, documentation |
|    |                                    | <p>What business opportunities can BUMDES realize to develop this tourist village in the long term?</p> <p>What are the threats faced by BUMDES in developing this tourist village for the long term?</p>  |  |

Data analysis was carried out descriptively qualitatively with the formula of Miles, Huberman, and Saldana (2014) which includes a) *data collection* b) *data display* c) *data condensation*, and d) *conclusion drawing / verifying*. Specifically, problem number 3 is carried out a SWOT analysis which includes internal and external analysis. To increase the level of data accuracy, triangulation is carried out which includes triangulation of methods, triangulation of data sources and triangulation of theory. Here is the matrix of SWOT analysis used in this study.

Table 2. SWOT Analysis Matrix

| IFAS and EFAS | Strength | Weakness |
|---------------|----------|----------|
| Opportunity   | SO       | Wo       |
| Threats       | St       | Wt       |

## Results and Discussion

### 1. Tourism Village Potential

The tourism potential of Pujon Kidul village, Pujo district, Malang regency, is called Cafe Sawah, which is a café designed in the hands of rice fields, so that tourists can enjoy the sensation of eating by seeing the atmosphere of the rice fields with various crops of rice, corn, chili, eggplant, and others. The success of this tourism village cannot be separated from the contribution of the **Sumber Sejahtera** Village-Owned Enterprise (BUMDES). Each village certainly has different characteristics and cultural and political climates. So, the presence of BUMDes from the beginning needs to adapt to local characteristics, because this adaptation is the key to the success of BUMDes. This can be done by opening up the widest possible space to the crowdfunding of all villagers. Therefore, the involvement of all village elements must exist from the beginning of the plan to establish BUMDes. The potential of Sanankerto Tourism Village is better known as Boon Pring tourism, which is located in Andeman Hamlet, Sanankerto Village, Turen District, Malang Regency.

Sanankerto Village was designated as a Tourism Village by the Tourism Office in 2014. Currently, Sanankerto tourism village is managed by the Tourism Awareness Group (Pokdarwis) and Village-Owned Enterprises (BUMDesa) **Kerto Raharjo** to develop its potential. The success of Boonpring Tourism Village is a tangible manifestation of the appropriate use of village funds.

This Boonpring tourism village is included in the top 50 nominations for the 2021 Indonesian Tourism Village Award (ADWI). This Sanankerto tourist village has the advantage of 115 species of bamboo, including arboretrum which if validated can become the largest in Indonesia. The collection of bamboo types in Boonpring Ecotourism is the main capital of Sanankerto Village to attract tourists. In addition, Boonpring also has an artificial lake that is among the bamboo trees. Boonpring Tourism not only offers the beauty of bamboo trees, but also rides such as swimming pools, selfie spots and artificial lakes. The tourism potential of Kendalbulur village, Boyolangu District, Tulungagung Regency is Nangkula Park, which is a combination of flower, culinary and sports tourism. Nangkula itself stands for Anang, Culinary and Field. This name describes the main facility located here, namely the sports field. This place is also a place for local cuisine. While 'Anang' is the name of the village head who proposed this tourist destination project. This recreational park is the result of an initiative to develop the natural potential of the village as a tourist destination. Since it was officially established in 2020, this recreational place has never been empty of visitors. Even this recreational park has become the prima donna of local tourism. The name Nangkula itself has a unique background. Village-Owned Enterprises (BUMDES) **Larasati** Kendalbulur, since its inception in 2016 has only been engaged in savings and loans business units. At that time, it could not develop and there were many bad debts. After the change of new village head in 2018, BUMDES added several new business units including the Nangkula Park Village Tourism Unit. The increase in tourism village business units is expected to make BUMDesa more productive and absorb unemployed workers in Kendalbulur village, as well as fostering a new economy for residents around tourism. The existence of this new unit makes BUMDesa Larasati more productive and supported by the village community. Nangkula Park is the heart of the economy in Kendalbulur Village. The existence of Nangkula Park is able to revive residents' home industry (MSMEs) products to continue to grow. Asa man a said by the Head of Kendalbulur Village Anang Mustofa SE that there are 24 residents who sell jajanan products or drinks, even souvenirs at tourist sites.

Thus, this village tourism can drive and revive the economy of the villagers. Even in this pandemic era, it is able to remain ex-is, not lose visitors.

## 2. The Role of BUMDES in the Development of Tourism Villages

Sanankerto tourist village is managed by a BUMDES named Kerto Rahajo, which was established in 2016 with 110 employees spread across various business units. BUMDES Kerto Raharjo Sanankerto village has 7 business units, namely (a) ecotourism boonpring (b) Utilization of Drinking Water (c) MSMEs (d) TPS3R (e) Event Organizer (f) Grodir (g) Maggot. The Boonpring tourism business unit is the mainstay of BUMDES Kerto Raharjo because the potential of Sanankerto village is widely supported by the existence of boonpring tourism. Sanankerto tourist village was born first (2015) compared to the birth of BUMDES Kerto Raharjo (2016). The name of Sanankerto village itself is forgotten by many people, because people are more familiar with boonpring than Sanan kerto. It used to be called "andeman" and since 2017 it has changed to boonpring. Boonpring itself comes from the word boon meaning grace, and pring means bamboo. So boonpring means a gift given to the village of Sanankerto through bamboo tourism. In 2018 wisata boonpring village was once in the top 50 Indonesian Tourism Villages (DWI) and after being selected through a survey, boonpring won 3rd place. The collection of bamboo in boonpring is 115 kinds of bamboo (the most in Southeast Asia).

BUMDes Sumber Sejahtera Pujon Kidul Village won several awards because it was considered successful in developing its village through BUMDES. BUMDES Sumber Sejahtera Pujon Kidul Village has 5 (five) business units, namely, drinking water, rice field tourism (rice field café), rice field tourism (voucher/ticketing), and rice field tourism (place parking). The existence of Bumdes Sumber Sejahtera can lift the economy of the Pujon Kidul village community through MSME businesses managed in rice field tourism. Various types of MSMEs that encourage the revival of community smoking include rice field cafes that sell traditional food based on local wisdom, and various agricultural products such as potatoes, carrots, cabbage, chickpeas, etc. The advantage of the rice field café in Pujon Kidul village lies in its uniqueness, which is that it can eat in 'gubug' in the middle of the rice field. Tourists can enjoy the beautiful rural natural scenery, thanking God Almighty the Creator of the Universe. The uniqueness of rural tourism such as Pujon Kidul very popular with people both from Malang and its surroundings, as well as from other cities in East Java, Central Java, Yogyakarta and West Java. Therefore, the number of tourists continues to grow from young people to adults and families.

Larasati Village-Owned Enterprise (BUMDES) is a BUMDES located in Kendalbulur Village, Boyolangu District, Tulungagung Regency. BUMDES was established in 2016. At the beginning of its establishment in 2016, it was only engaged in the savings and loans business unit. At that time, it could not develop and there were many bad debts. However, since the change of village head, improvements have been made in all fields and finally developed rapidly until now. In the new era of leadership and the increase in business units, it is hoped that it can make BUMDesa more productive. Thus, it can absorb the unemployed labor force in Kendalbulur Village, as well as grow the economy new for residents around the tour. Currently, BUMDES Larasati has 3 types of business units, namely:

- 1) Pokdarwis Business Unit or tourism awareness group (Nangkula Park). The construction of the Kendalbulur village field is a priority for village development with the concept of a tourist field for further management and development carried out by BUMDES and making a Village-Owned Enterprise (BUMDes) as an institution that manages the productivity of community businesses and as an institution in increasing the original village income (PAD).
- 2) Agricultural Business Unit. This business unit is divided into several fields of activity, namely.
  - a) Improving agricultural infrastructure including paddy irrigation canals and repairing agricultural roads.

- b) Increase capacity/knowledge for farming communities and farmer group institutions by training, educating and managing well in agriculture.
- c) Citrus leaf plant.

### 3) Savings and Loans Business Unit

BUMDES Larasati is now not only able to drive the economy of residents, but has produced many brilliant achievements. Among them, at the end of 2020, ITS gave hope awards for 1 Nangkula Park Marketing Category, followed by an award from PWI Appreciation for people's economic drivers. The East Java-level BUMDES competition won 1st place in the province, and most recently the best Tax Award award for 1 largest tax contributor in 2021 nomination tax BUMDES. In addition, Kendalbulur Village also received awards for 16 Brilliant Villages 2020 at the National level, and the Top 17 of the 2021 Astra Serial Village National Awards.

## 3. Tourism Village Marketing Strategy

Marketing strategy is the efforts made by marketers so that the products (both goods and services) sold can be bought by consumers. This marketing strategy for goods and services are often referred to as Marketing Mix, which consists of 4 P's, namely product, price, place and promotion. To find the right strategy for tourism village marketing can be done with a SWOT analysis which stands for strength, weakness, opportunity and threats. The following is a matrix of SWOT analysis for the empowerment of tourism village communities through BUMDES.

Table 3. SWOT Analysis Matrix

|   |  |  |
|---|--|--|
| IFAS<br><br>EFAS  | <b>Strength</b><br>• Peculiarities of the attributes of a tourist village  | <b>Weakness</b><br>• Limited facilities and infrastructure<br>• Limited ability of human resources in mastering technology       |
| <b>Opportunity</b><br>• Expansion of local, regional, national and international target markets | SO Strategy Utilizing natural and artificial potential that consumers like | WO Strategy The involvement of the millennial generation in the process of developing tourist villages.                          |
| <b>Threats</b><br>• Continuous innovation is needed to compete with similar tourist villages    | ST Strategy<br>Don't stop innovating to increase tourist loyalty           | WT Strategy<br>Reducing the weakness of tourism villages is a challenge in order to improve the performance of tourism villages. |



## Conclusion

Based on the results of the analysis of the research data above, several conclusions can be drawn as follows.

1. The potential of Sanankerto Tourism Village is better known as Boon Pring tourism, which is located in Andeman Hamlet, Sanankerto Village, Turen District, Malang Regency. Sanankerto Village was designated as a Tourism Village by the Tourism Office in 2015 and is managed by the Village-Owned Enterprise (BUMDES) Kerto Raharjo. The tourism potential of Pujon Kidul village, Pujon district, Malang regency, is called Cafe Sawah, which is a café designed in the rice fields, so that tourists can enjoy the sensation of eating with seeing the atmosphere of rice fields with various crops of rice, corn, chili, eggplant, and other. The success of this tourism village cannot be separated from the contribution of Village-Owned Enterprises (BUMDES) **Sumber Sejahtera**. The tourism potential of Kendalbulur village, Boyolangu District, Tulungagung Regency is Nangkula Park, which is a combination of Ciselis flower tourism, culinary and sports.
2. The role of BUMDES in the development of Tourism Villages. The three tourist villages that were the subjects of this study were all developed by BUMDES. In general, the role of BUMDES is the same, namely as a motivator for empowering rural communities towards a prosperous and prosperous society. However, in particular, the role of each BUMDES in the three villages is different. BUMDES Sanankerto village utilizes the potential of bamboo tourism as the main attraction for tourists. The potential of bamboo tourism, then develops into other business units such as MSMEs (Micro, Small and Medium Enterprises), swimming pools, drinking water management, waste treatment, and others. From these various business units, BUMDES sanankerto village can help increase people's income. This is in conjunction with the village of Pujon Kidul which manages Cafe Sawah. In the beginning, Pujon Kidul village only had one Sawah Cafe which was managed by the village. However, with the increasing number of tourists who come to the rice field café, finally the community is moved to rent out their rice fields to make a café either by the people of Pujon Kidul village themselves or rented out to others from outside the village Pujon Kidul. The increasing number of people visiting Cafe Sawah, encourages BNI to provide credit facilities for the sustainability of MSME businesses in Pujon Kidul village. As for BUMDES, Kendalbulur village plays a role in encouraging the community to innovate to make artificial tourism objects which are a combination of Celisia flower gardens, culinary and sports that are given the name Nangkula Park.
3. Tourism Village Marketing Strategy The results of the SWOT analysis show that the marketing strategy of tourist villages can be detailed in the SO strategy, WO Strategy, ST Strategy, WT strategy. The SO strategy is meaningful with all its strengths, tourist villages can create business opportunities in such a way as to increase the income of rural communities. The strength of tourist villages in this study lies in the potential of both natural and artificial. Strategi WO means that by suppressing all weaknesses, tourist villages can create business opportunities to increase the income of rural communities. The weakness of human resources in mastering technology can be suppressed through the involvement of the millennial generation in the process of developing tourist villages. The ST strategy means leveraging the strengths of tourism villages to overcome the challenges faced. The challenge of marketing a tourist village can take the form of 4 P development starting from product, price, place and promotion. Products can take the form of tourist attractions. Prices can be in the form of prices/tariffs. The place can be in the form of easy access to tourist village locations. And promotion can take the form of various promotional media both offline and online to increase the number of tourists. WT's strategy means that by reducing weaknesses, it can be a challenge for tourism villages to increase community empowerment. The weaknesses of tourist villages can take the form of limited facilities and infrastructure to the location, to the challenge of increasing technological capabilities. Reducing the weakness of

tourism villages is a challenge to improve the performance of tourism villages.  
Based on the above conclusions, then the proposed suggestions are as follows.

- a) BUMDES does not want to innovate to increase the number of tourist visits to tourist villages.
- b) Involving millennials in digital marketing development.
- c) Make careful planning, organizing resources, carrying out activities and conducting periodic evaluations for service improvement.

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