

Development Strategy for Paal Beach Tourist Destination in East Likupang, North Sulawesi, Indonesia

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Received: 2024-01-18

Accepted: 2024-01-21

Publication: 2024-01-21

Abstract

In order to accelerate the development of the tourism sector, the Indonesian government has designated five tourist destinations in Indonesia as super priority tourist destinations, one of which is East Likupang of North Minahasa Regency in North Sulawesi Province. Paal Beach is one of the main tourist attractions in East Likupang. Even though the beach is very beautiful and the access to it is very good, the number of visits is still far below its carrying capacity. This research aims to identify appropriate development strategies for the Paal Beach tourist destination to attract more visitors. The analytical tool used is SWOT analysis. The research results show that various external factors are very supportive for the development of Paal Beach. However, the beach still has various weaknesses that could make it unattractive for some people to visit. The main identified weaknesses are related to the lack of adequate infrastructures and supporting facilities. So, the main strategy should be to prioritize improving these infrastructures and supporting facilities. If infrastructures and supporting facilities are improved, then this area has great potential to be able to take advantage of the existing external factors identified as opportunities, especially with the designation of East Likupang as one of the super priority tourist destinations in Indonesia.

Keywords — development strategy, East Likupang, Paal Beach, SWOT, tourist destination

Introduction

One area in North Sulawesi that has great potential to be developed into a prime tourist destination is East Likupang District, North Minahasa Regency. One of the advantages of this area is the presence of beautiful beaches as tourist attractions. Therefore, the Indonesian Government has designated this area as the Likupang Special Economic Zone (SEZ) through Government Regulation No. 84 of 2019. This Likupang SEZ is included as a tourism development zone

In order to accelerate the development of the tourism sector, the Indonesian government has designated five tourist destinations in Indonesia as super priority tourist destinations, one of which is the Likupang Special Economic Zone, North Minahasa Regency. Other super priority tourist destinations are Lake Toba, North Sumatra, Borobudur Temple, Central Java, Mandalika, West Nusa Tenggara, and Labuan Bajo, East Nusa Tenggara. It is expected that the development of these super priority destinations will not only attract as many tourists as possible, but also foster a creative economic ecosystem that involves local residents (KEK, 2020).



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The designation of East Likupang not only as a Special Economic Zone but also as one of the five super priority destinations is an excellent opportunity for attracting more tourists to visit this region. However, to be able to make effective use of this opportunity, appropriate development concepts and strategies need to be developed. By developing the right strategy, it can be expected that this area will be able to attract more tourists to visit, but at the same time still pay attention to environmental, social and cultural aspects of the community.

Paal Beach is one of the main tourist attractions in the Likupang SEZ. Before the establishment of the Likupang SEZ, this beach was starting to be visited by many tourists, especially local tourists. Even though the beach is very beautiful and the access to it is very good, the number of visits is still far below the beach's carrying capacity (Kapantow, Tarore, & Lumingkewas, 2021). Because the number of visits is still far below the coastal carrying capacity, increasing the number of visits will potentially increase economic benefits for the community without endangering the environment. Paal Beach needs the right strategy to attract visitors. It is necessary to identify what internal factors are the strengths and weaknesses in developing Paal Beach as an area for tourist visits. Apart from that, external factors, whether supporting or threatening, also need to be identified.

The aim of this research is to develop an appropriate strategy for developing Paal Beach as a tourist destination through analysis of internal factors (strengths and weaknesses) and external factors (opportunities and threats) which is well known as SWOT analysis. By having the right strategy, this area will increase its ability to attract more tourists to visit.

Literature Review

Tourism Contribution to the Economy

Tourism is one of the sectors that is the largest contributor to the world economy. In 2019, the tourism sector contributed 10.3% of global Gross Domestic Product (GDP) with a growth rate of 3.5%. This growth rate is far above the overall GDP growth rate of only 2.5% (WTTC, 2023). Therefore, it is not surprising that many countries are competing to develop their tourism sector, including Indonesia. In 2019, according to the Minister of Tourism and Creative Economy of Indonesia at that time, Wishnutama Kusubandio, foreign exchange realization from the tourism sector reached IDR 280 trillion with a contribution to GDP of 5.5% (Kontan.co.id, 2020).

North Sulawesi Province has also designated tourism as one of its development priorities. One of the priority areas for tourism development is East Likupang District in North Minahasa Regency. The tourism potential in this area has also been recognized by the central government with the issuance of Government Regulation No. 84 of 2019 which designated this area as the Likupang Special Economic Zone, which is categorized as a tourism zone. The Likupang SEZ has also been designated as one of five super priority destinations to be developed in Indonesia (KEK, 2020).

Tourism Planning and Development

The goal of most tourism planning is to boost the economy by creating more employment, revenue, and taxes. This is still a very essential goal, but tourism planning has to address three other issues: better tourist happiness, resource asset protection, and integration with local social and economic life (Gunn & Var, 2002). In other words, tourism development can be economically sustainable only if it is environmentally and socially sustainable (WTO, 1993). This suggests that the primary focus in developing plans for sustainable tourism development should be the integration of the economic,



environmental, and social aspects of tourism development (Kapantow, 2004; Angelevska-Najdeskaa & Rakicevikb, 2012; Lee, Jan, & Liu, 2021).

Depending on the plan's geographical scope, tourism planning levels can be categorized as national, regional, or local level. There is a relationship between these three planning tiers. The relation is usually hierarchical. A national plan serves as a foundation for regional planning, which in turn serves as a basis for local or destination zone planning (Gunn & Var, 2002; Kapantow, 2004). Planning for a tourist destination zone must consider the main elements that a tourist destination must have, namely tourist attractions, facilities, infrastructure, transportation and hospitality (Mill & Morrison, 2012). A strategic tool that has widely used in planning for tourist destination development is SWOT Analysis (Rebuya & Gasga, 2022; Pramanik, Suprina, Rachmatullah, & Gantina, 2021; Rahimi, 2014).

SWOT Analysis

SWOT is an analytical tool for planning development strategies, and has been widely used by industry, commerce and various other fields, including tourism. SWOT is an abbreviation of Strengths, Weaknesses, Opportunities and Threats. It is a useful tool for developing both competitive and organizational strategies (Gürel & Tat, 2017). SWOT Analysis has been used widely in tourism area in order to formulate development strategy (Dryglas, 2017; Pramanik, Suprina, Rachmatullah, & Gantina, 2021; Rebuya & Gasga, 2022; Tambunan, 2020).

Strengths and Weaknesses are internal factors while Opportunities and Threats are external factors. The external factors refer to elements that are normally outside the management control and most of the time deal with external environmental factors. On the other hand, internal factor refers to factors that are internal in nature and normally within management control. (Rangkuti, 2015; Sarsby, 2012; Momin, 2023). The SWOT diagram is presented in Figure 1.

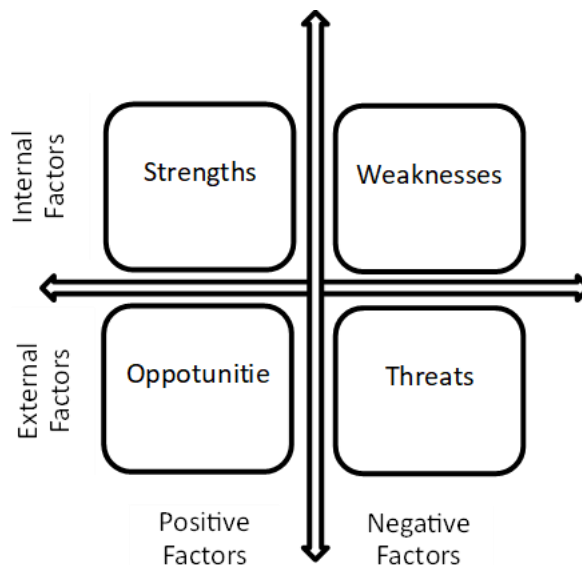


Figure 1. SWOT Diagram

Strengths and opportunities can assist the organization accomplish its goals. They are positive factors to businesses. Weaknesses and threats prevent the organization from accomplishing its goals. They are negative factors to businesses.

Data gathering is an essential part of SWOT Analysis to identify all the strengths, weaknesses, opportunities, and threats. Once data have been collected and verified, the strategy could be formulated in the four categories, namely S-O Strategies (Strengths and Opportunities Strategies), S-T Strategies (Strengths and Threats Strategies), W-O Strategies (Weaknesses and Opportunities Strategies) and W-T Strategies (Weaknesses and Threats Strategies) as illustrated in Table 1.

Table 1. Strategies Based on SWOT Analysis

	Strengths (S)	Weaknesses (W)
Opportunities (O)	S-O Strategies: Utilize all the strengths to seize and take advantage of opportunities	W-O Strategies: Overcome weaknesses to take advantage of opportunities
Threats (T)	S-T Strategies: Use the strengths to overcome threats	W-T Strategies: Overcome weaknesses while avoiding threats

To identify which strategies to be prioritized, a weighted SWOT analysis can be applied. First, each identified factor, namely strengths, weaknesses, opportunities, and threats, is given a weight and rating. After that, the total score (weight*rating) for each factor is calculated and the difference between the total number of S and W factors ($S-W=x$) as well as the difference between O and T factors ($O-T=y$) are determined. Finally, the coordinates (x,y) are mapped, as shown in Figure 2, to determine the right strategy to be prioritized (Rangkuti, 2015).

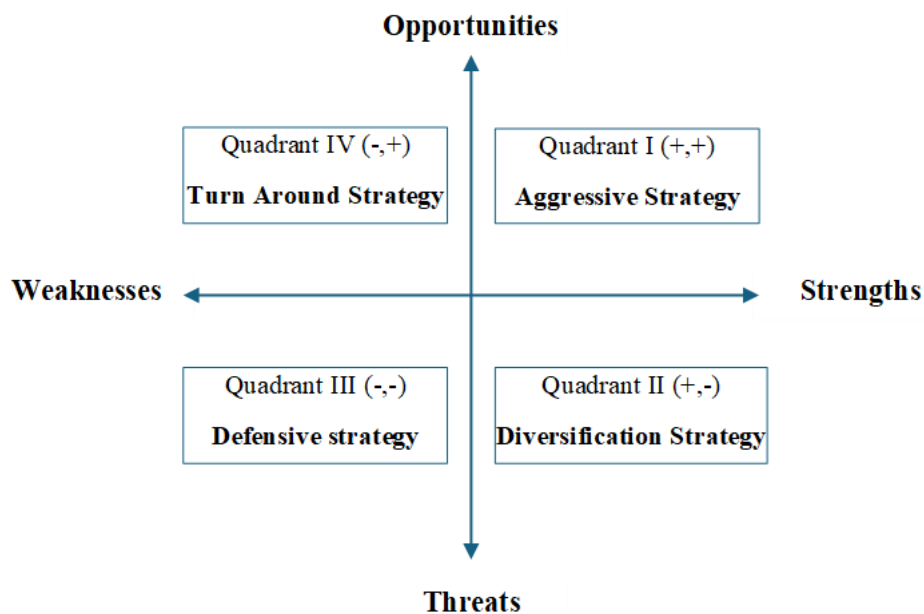


Figure 2. Position Mapping Weighted SWOT Analysis

Research Method



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The study employed the SWOT Analysis. Data were collected in November 2022. The data used in this research were primary and secondary data. Primary data was obtained in three ways, namely: Focus Group Discussions (FGD), interviews with respondents using a prepared list of questions, and field observations. Secondary data was obtained from tourist location managers and related agencies in the form of documents and literature studies.

Respondents for this research were 31 people consisting of 5 people representing those who have businesses in the area, 3 people representing the administrators of the Village-Owned Enterprises who also manage this area, 3 officials from the North Minahasa Regency Tourism Office, and 20 respondents representing visitors,.

Respondents representing visitors were selected using quota sampling, where 20 visitors who had visited Paal Beach more than twice were selected. It was expected that visitors who had visited more than twice would already know enough about the condition of Paal Beach. Respondents representing other stakeholders were selected purposively, namely those who are often involved in activities at Paal Beach.

The primary data collection were conducted in two stages. The first stage was to identify internal and external factors relevant to the research topic. Internal factors were then separated into strengths and weaknesses. External factors were separated into opportunities and threats. This first stage was carried out through a focus group discussion. The second stage was to determine the rating and weight of each factor. This second stage was carried out through interviews using a prepared questionnaire.

Results and Discussion

General Description of Paal Beach

Paal Beach is located in Marinsow Village, East Likupang District, North Minahasa Regency, North Sulawesi Province. Paal Beach is about 55 km from Manado City. The main attraction of this tourist visit is the white sandy beach which stretches for 960 meters. Paal Beach is open every day to the public from 08.00 am to 16.00. At 16.00, visitors are no longer permitted to enter the location, but visitors who are already at the tourist location can still carry out their activities until sunset. The main reason activities are only permitted until sunset is because there are no adequate electricity facilities at that location.

Currently, the management of Paal Beach is carried out jointly between Village-Owned Enterprises (BUMDes) and the Marinsow Village community under the arrangement of the Marinsow Village Government. BUMDes is given the responsibility to manage the arrangements for the entrance to tourist locations. Every vehicle that enters the location must pay an entrance fee. The funds obtained are managed by BUMDes. Meanwhile, the community independently manages the supporting facilities at tourist locations in the form of restaurants, shelters, toilets, bathrooms, etc.

SWOT Analysis

The results of focus group discussions with respondents who are stakeholders in the development of Paal Beach, have succeeded in identifying factors which constitute the strengths, weaknesses, opportunities and threats of Pantal Paal as one of the main tourist destinations in North Minahasa Regency. The number of factors identified was 17, consisting of 4 strength factors, 7 weakness factors, 4 opportunity factors and 2 threat factors. All these factors are presented in Table 2.



Table 2. Strengths, Weaknesses, Opportunities and Threats Factors

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Paal Beach is very beautiful. 2. Road access is getting better. 3. Management involving BUMDes and the surrounding community. 4. Supporting attractions are available in the tourist area (banana boats, etc.). 	<ol style="list-style-type: none"> 1. Shelter/restaurants are not well organized and maintained. 2. Beach cleanliness is not well maintained 3. Vehicle parking is not well organized. 4. There is no adequate clean water available. 5. Poor Telephone and internet access 6. Souvenir sellers are not available. 7. There are no danger warning signs on the beach.
Opportunities	Threats
<ol style="list-style-type: none"> 1. The designation of Likupang as a Special Economic Zone for tourism and at the same time as one of the super priority destinations in Indonesia will increase tourist visits. 2. Increasing availability of hotels/accommodation facilities in East Likupang (existing and those under construction). 3. The road condition from Manado/Airport to Paal Beach is getting better. 4. The Covid 19 pandemic has been resolved. 5. Opening direct flights from abroad to Manado will potentially increase tourist visits. 	<ol style="list-style-type: none"> 1. Competition is getting tougher (more and more countries/regions are developing tourist destinations). 2. Transportation costs from Jakarta and other big cities to Manado are relatively expensive.

Based on the strengths, weaknesses, opportunities and threats that have been identified as presented in Table 2, a development strategy has been developed that can be implemented in the Paal Beach Tourism Area as shown in Table 3. This strategy is divided into four categories, namely S-O (Strengths and Opportunities) Strategies, S-T (Strengths and Threats) Strategies, W-O Strategies (Weaknesses and Opportunities) Strategies and W-T Strategies (Weaknesses and Threats) Strategies.



Table 3. Development Strategies for Paal Beach

<p style="text-align: center;">S-O Strategies</p> <ol style="list-style-type: none"> To increase promotion of Paal Beach as one of the main attractions in the super priority destination Likupang. To conduct regular and scheduled events to attract more local and foreign tourists. To collaborate with tour operators and airline companies to develop affordable tour packages. 	<p style="text-align: center;">S-T Strategies</p> <ol style="list-style-type: none"> To provide training and assistance to Village-Owned Enterprises and local communities to improve the quality of management and services. To increase the quantity and quality of supporting attractions to attract more visitors. To create a joint agenda between tourism actors in Likupang and the surrounding area in the form of events or other activities to attract more visitors with affordable cost. To increase the quality and quantity of promotion
<p style="text-align: center;">W-O Strategies</p> <ol style="list-style-type: none"> To increase the availability of clean water To Improve the quality of telephone and internet access To organize a better waste handling system To improve the beach security system To reorganize the vehicle parking area To provide unique souvenirs To provide danger signs on the beach 	<p style="text-align: center;">W-T Strategies</p> <ol style="list-style-type: none"> To set minimum service standards that must be implemented by all business actors in the location. To improve existing supporting facilities in the tourist area, especially shelters, parking lots, toilets, and bathrooms

Overall, there are 16 programs proposed to be developed as presented in Table 3, which consists of 3 S-O Strategies, 4 S-T Strategies, 7 W-O Strategies, and 2 W-T Strategies. To determine which activities should be prioritized, a weighted SWOT analysis is conducted. Calculation of weights and ratings for each factor is based on the responses from the respondents. The score for each factor is the multiplication of its weight and its rating. The weighted scores for internal factors and external factors are presented in Table 4 and Table 5 respectively.

Table 4. Weighted Scores for Internal Factors (Strengths ad Weaknesses)

Strengths	Weight	Rating	Score
1. Paal Beach is very beautiful	0.11	4.94	0.54
2. Road access is getting better	0.10	4.06	0.41
3. Management involving BUMDes and the surrounding community	0.09	3.65	0.33
4. Supporting attractions are available in the tourist area (banana boat, etc.)	0.09	3.88	0.35
Total Score for Strength Factors (S)			1.63
Weaknesses			
The facilities (shelter/restaurants) are not well organized and maintained	0.09	4.06	0.37
Beach cleanliness is not well maintained	0.09	3.82	0.34
Vehicle parking is not well organized	0.09	3.76	0.34
There is no adequate clean water available	0.09	4.00	0.36
Poor Telephone and internet access	0.09	4.12	0.37



No souvenir sellers available yet	0.08	3.94	0.32
No danger warning signs on the beach yet	0.09	3.76	0.34
Total Score for Weaknesses Factors (W)			2,43
x = S-W			-0.80

Table 5. Weighted Scores for External Factors (Opportunities ad Threats)

Opportunities			
The designation of Likupang as a special economic zone for tourism and at the same time as one of the super priority destinations in Indonesia will increase tourist visits	0.10	4.65	0.47
Increasing availability of hotels/accommodation facilities (existing and those under construction)	0.09	3.94	0.35
The road condition from Manado/Airport to Paal Beach is getting better	0.10	3.29	0.33
The Covid 19 pandemic has been resolved	0.09	3.82	0.34
Opening direct flights from abroad to Manado will potentially increase tourist visits	0.09	4.00	0.36
Total Score for Opportunity Factors (O)			1.85
Threats			
Competition is getting tougher (more and more countries/regions are developing tourist Tdestinations)	0.09	3.88	0.35
Transportation costs from Jakarta and other big cities to Manado are relatively expensive.	0.09	4.35	0.39
Total Score for Threat Factors (T)			0,74
y = O-T			1.11

The values of x and y resulted from the calculation are -0.80 and 1.11, respectively. In other words, the coordinate to be plotted on the SWOT map is (-0.80,1.11). These values indicate that for the internal factors, the weaknesses are more noticeable than the strengths. For the external factors, the opportunities are more noticeable than threats. Using the SWOT Map shows that the coordinate falls in fourth quadrant (Figure 3). It means that a turnaround strategy is the most appropriate approach to be implemented. The management needs to review existing development priorities.

To be able to take advantage of many opportunities that exist, the management must first fix the existing weaknesses. So, the W-O strategy (Table 3) can be given priority to be implemented. The weaknesses identified in this research are the shelter and restaurants are not well organized and maintained, beach cleanliness is not well maintained, vehicle parking is not well organized, no adequate clean water available, poor telephone and internet access, no souvenir shops/sellers, and no danger warning signs on the beach. The weaknesses are related to the lack of adequate infrastructures and supporting facilities. So, the main strategy should be to prioritize improving these infrastructures and supporting facilities in the beach. If these infrastructures and supporting facilities are improved, then this area has great potential to be able to take advantage of the existing external factors identified as opportunities, especially with the designation of East Likupang as one of the super priority tourist destinations in Indonesia.



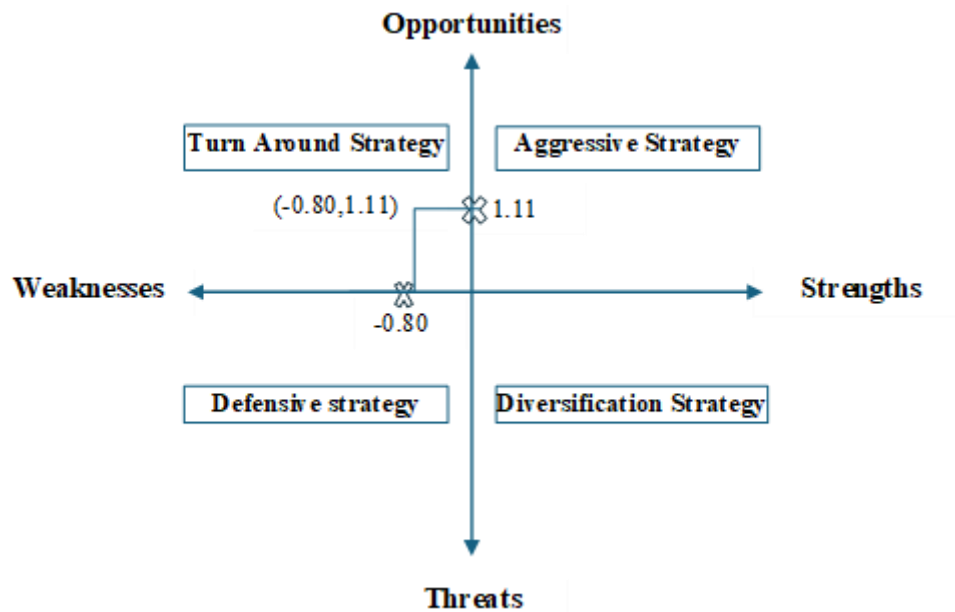


Figure 3. The Weighted SWOT Map

Conclusion

This research revealed that the current condition of Paal Beach falls in in fourth quadrant in Weighted SWOT Map. It means that the weaknesses are more noticeable than the strengths, and the opportunities are more noticeable than threats. It suggests that a turnaround strategy is the most appropriate approach to be implemented. The management needs to review the existing development priorities to be able to take advantage of the many opportunities that exist. Because of weaknesses are more noticeable than the strengths and the opportunities are more noticeable than threats , the W-O strategy can be given priority to be implemented.

The identified weaknesses found in this research are associated with the absence of suitable infrastructure and auxiliary facilities. The shelters and restaurants are not well organized and maintained. Beach cleanliness is not well maintained. Vehicle parking is not well organized. There is no adequate clean water available. Telephone and internet access is poor. There is no souvenir shops/sellers. There is no danger warning signs on the beach. Therefore, the primary approach need to be giving priority to enhancing these infrastructures and auxiliary beach facilities. The beach has a great deal of potential to take advantage of the external elements that are currently highlighted as opportunities if these infrastructures and supporting facilities are enhanced, especially with East Likupang being designated as one of the super priority tourist destinations in Indonesia.

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