The Effect of Local Culture and Resources Based View on Intention to Visit an Empirical Study in North Sumatra

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Abstract. This study aims to determine how the local culture and resources-based view affect the intention to visit. The analysis in this study used SEM-PLS, and data was collected through an online survey questionnaire, with n = 162. Based on the analysis, it is known that local culture significantly affects the intention to visit. Regarding the resources-based view, it is also known to significantly affect the intention to visit. From the findings of this study, it can be concluded that visitors who visit the city of Medan enjoy the local culture they have, so they intend to come to Medan City. Furthermore, visitors enjoy the uniqueness of the owned culture, where the criteria that are owned make it an advantage for tourist areas in Medan city.

Keywords: Local culture, resources-based view, intention to visit, SEM-PLS.

1 Introduction

North Sumatra is one of the provinces in Indonesia, which is close to Asian countries. The provincial capital of Medan City is the entrance to the most relative ASEAN countries, including Malaysia, Thailand, and Singapore. The province, which is famous for its Lake Toba tourist area, has many cultural heritage buildings in this city. North Sumatra has many tourist areas that visitors can enjoy. In addition, the many tribes that inhabit the city of Medan make many cultures tourists can visit. With a variety of cultures, it will be a selling point for visitors to be able to see the tourist area.

This study aims to see if visitor intentions can be created so that visitors will continue to visit because of the culture that exists in North Sumatra. Where later, the local culture has a selling value which will increase the number of visitors who come. Because local culture will create experiences for visitors [1]. Local culture will be best given to people who understand, and this will be a good strategy [2].

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A good destination image for a tourist area will make visitors look for additional information so that it will create knowledge to visit the location [3], [4]. Visitors' knowledge of the site to be visited can influence tourist intentions [5]. Psychological factors, Word of Mouth (WOM), and the motivation given to visitors [6]. The motivation felt by visitors for relaxation and recreation, as well as the image of a tourism destination, also affects the intention of tourists to be able to revisit the tourism area [7].

Increasing the competitive advantage of existing tourism areas must have advantages over other tourism areas [8]. Competitive advantage can be created with the uniqueness of the tourism area. Its uniqueness is one of the factors in attracting visitors an advantage, especially in the promotion [9](Binter et al., 2016). The specialization of the tourism market, including cultural heritage and local wisdom, can create sustainable advantages to retain visitors in a sustainable manner [10]. Cultural heritage is a tourist object that differs from regions or countries worldwide. Diversification will create a market [11]. The competitive advantage is determined by the resources owned by [12]. Application of Resources Based View (RBV) in destination image is vital in increasing competitive advantage [13] (Lee & King, 2006). The competitive advantage in Resources Based View (RBV) is that the tourism area must have a valuable, rare, inimitable, and non-substitutable Fields[12] (J. Barney, 1991).

Thus, this study seeks to investigate local culture affect the intention of tourists and the application of Resources Based View (RBV) in tourist areas affect the intention of tourists to visit Medan City, North Sumatra.

2 Method

The data analysis employed in this study was Partial Least Square Structural Equation Modeling (PLS-SEM). Although Covariance-based SEM has dominated the research in the management field, PLS-SEM has continued to increase. Furthermore, PLS-SEM is preferable because it allows researchers to estimate complex models without requiring data from normally distributed fields [14].

There are two main stages in analyzing the output in PLS-SEM. Firstly, the evaluation of the measurement model, and secondly, the evaluation of the structural model. The measurement model evaluates how the suitability of indicators to form the construct, while the structural model evaluates the relationship between constructs [14].

Data collected in this study utilized an online survey questionnaire. This is because data collection online is efficient, and the data filling can still be accounted for [15].

3 Results and Discussion

There 162 respondents participated in this study. There were 80 male respondents and 82 female respondents. The majority of respondents are in the age range of 17-25 years. Meanwhile, in terms of income, most respondents who participated in this study had incomes in the range of Rp. 1,000,000 – Rp. 5,000,000. More complete respondent data can be seen in Table 1.

Table 1. Respondent detail

		Count	Percentage
Sex	Male	80	49.4%
	Female	82	50.6%
Age	17 - 25	93	57.4%
	26 - 33	29	17.9%
	34 - 42	22	13.6%
	43 - 50	9	5.6%
	51 - 59	7	4.3%
	> 60	2	1.2%
Income	> Rp Rp 15.000.	5	3.1%
	Rp 1.000.001 - Rp 5.000.000	129	79.6%
	Rp 10.000.001 - Rp 15.000.00	7	4.3%
	Rp 5.000.001 - Rp 10.000.000	21	13.0%

First-order reflective constructs were employed in this research. Measurement quality consists of convergent validity, internal consistency reliability, and discriminant validity. Convergent validity is how much a measure correlates with alternative measures of the same construct [14]. Hair Jr et al. [14] explained the cut-off of loading factors and Average Variance Extracted (AVE) were 0.5. In term of Internal consistency reliability, it is a form of reliability used to determine the consistency of results across items on the same test, and whether the items measuring a construct are similar in their scores, the cut-off is > 0.6, as well as the Cronbach's Alpha [14]. While discriminant validity explains how a construct is genuinely distinct from other constructs by empirical standards. While previous researchers used the Fornell-Larcker criterion to measure it, Henseler, Ringle, & Sarstedt [16] suggested using the Heterotrait-monotrait ratio (HTMT). For threshold level, HTMT interval must not include 1 [16].

Table 2 shows composite reliability, and Cronbach's alpha for all constructs exceeds 0.6. Furthermore, to measure the discriminant validity, as can be seen in Table 3, no construct includes 1.

Table 2. Results summary for convergent validity and internal consistency reliability

Construct	**Indicator**	**Convergent Validity**		**Internal Consistency Reliability**	
		Outer loading	**AVE**	**Composite reliability**	**Cronbach's Alpha**
Local culture	Inimitable1	0.76	0.61	0.94	0.93
	Inimitable2	0.51			
	Inimitable3	0.69			
	Organization1	0.60			
	Organization2	0.66			
	Rare1	0.88			

Construct	Indicator	Convergent Validity		Internal Consistency Reliability	
		Outer loading	AVE	Composite reliability	Cronbach's Alpha
	Rare2	0.79			
	Rare3	0.81			
	Value1	0.88			
	Value2	0.88			
	Value3	0.76			
Resources based view	RBV1	0.88	0.75	0.94	0.94
	RBV2	0.83			
	RBV3	0.85			
	RBV4	0.86			
	RBV5	0.81			
	RBV6	0.89			
	RBV7	0.74			
Intention to visit	IV1	0.86	0.82	0.89	0.89
	IV2	0.83			
	IV3	0.88			

Table 3. Results for discriminant validity – HTMT

	Intention to visit	Local culture	Resources based view
Intention to visit			
Local culture	0.868		
Resources based view	0.893	0.861	

After the evaluation of measurement models is done, we need to assess the structural model. However, the goodness-of-fit in PLS-SEM is different to CB-SEM. Table 4 shows that all main paths are significant. Path relationship between local culture toward intention to visit is significant, with $\beta = 0.39$, $p = 0.01$. This indicates that local culture has a significant positive effect on the intention to visit. Furthermore, the path relationship between resources-based view on intention to visit is also significant, with $\beta = 0.5$, $p = 0.00$. This coefficient indicates that resources-based view has a significant positive effect on the intention to visit. Table 4 also shows the r square. R square ranges from 0 to 1. Hair Jr et al. [14] stated while it is hard to present rules of thumb for this measurement, 0.2 is considered adequate. As we can see, all endogenous constructs have an R Square coefficient above 0.2. This value indicates a good fit for the model. The complete model of this study can be seen in Figure 1.

Table 4. Results summary for structural model evaluation

	Coefficient	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Local culture -> Intention to visit	0.39	0.43	0.15	2.68	0.01
Resources based view -> Intention to visit	0.50	0.46	0.16	3.20	0.00
r square					
Intention to visit	0.73	0.74	0.05	16.13	0.00

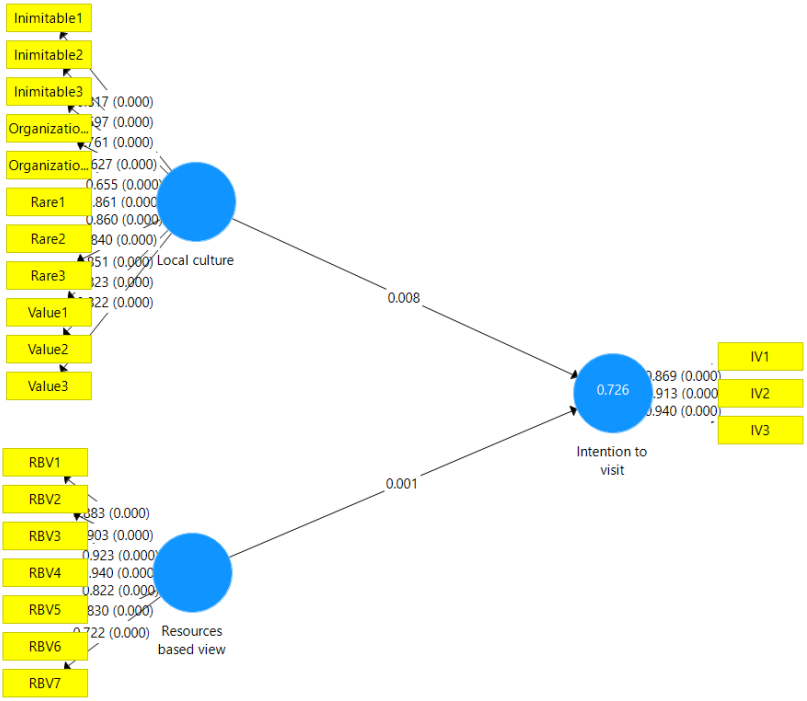

Fig. 1. Research model with coefficient

From the findings of this study, it can be concluded that visitors who visit the city of Medan enjoy the local culture they have, so they intend to come to the city of Medan. Furthermore, visitors enjoy the uniqueness of the owned culture, where the criteria that are owned make it an advantage for tourist areas in Medan city. This research has limitations in its implementation because this research was conducted in Medan city. It is recommended that this research variable be tested in areas outside Medan. This aims to find out whether these variables are following the needs in tourist areas outside Medan city.

4 Conclusion

Based on the study, it can be concluded local culture significantly affects the intention to visit. Regarding the resources-based view, it is also known to significantly affect the intention to visit. From the findings of this study, it can be concluded that visitors who visit the city of Medan enjoy the local culture they have, so they intend to come to Medan City. Furthermore, visitors enjoy the uniqueness of the owned culture, where the criteria that are owned make it an advantage for tourist areas in Medan city.

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