

Impact Analysis of Tourism Events for MSMEs in Tanjungpinang City

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Abstract. The motivation behind this research is to examine the economic growth in Tanjungpinang City, which is in a period of revival under the guidance of the government. One of the strategies executed by the Tanjungpinang City Regional Government is to host tourism events at the Tanjungpinang Old City Market to stimulate the market's economic growth. The purpose of this study is to determine the effect of these tourism events on the growth of Micro, Small, and Medium Enterprises (MSMEs) in the Tanjungpinang Old Town Market. A qualitative approach was utilized in this research, and data was collected through a combination of interviews, direct observation, and documentation. The data analysis procedure included stages such as data collection, data reduction, data presentation, and conclusion verification. The findings indicate that tourism events have a positive impact on the growth of MSMEs in the Tanjungpinang Old Town Market, resulting in a 30% increase in sales volume. Nevertheless, some economic activities remain unaffected. The Tanjungpinang City Tourism and Culture Office needs to enhance its strategies to promote economic growth that has less impact through future tourism events.

Keywords: Tourism Events; MSMEs

1 Introduction

The tourism sector has an important role in building the world economy. This is in line with the tourism trend which is starting to become a necessity for the general public for entertainment needs. Tourism entertainment is usually held periodically or incidentally in accordance with the trends that develop in society. The event can be implemented by the government or private sector.

Based on data from the Central Statistics Agency (BPS), the Riau Islands' economic growth in the third quarter of 2022 compared to the previous one-year period grew by 6.03 percent, growing faster than growth in the third quarter of 2021 (y-on y) which grew by 2.97 percent. The highest growth year on year in the third quarter of 2022 was achieved by the provision of dining and drinking accommodations of 98.36 percent. This is good news for the people in the Riau Archipelago. However, in responding to this, we still need to do various things that can continue to support economic growth in society, especially through community-based economic development, especially through MSME business actors which are now a priority for the central government in efforts to recover the economy nationally.

Economic development in the Riau Archipelago has progressed, although it cannot be considered a complete success. Nevertheless, the region's economy is currently experiencing a

resurgence. Regional economic growth involves the management of resources by local governments and community partnerships. Event tourism plays a crucial role in the fast-growing tourism industry and involves a large number of people. It can also bring economic benefits, including job creation and increased income and well-being, particularly in the regions where the events take place.

Tanjungpinang Old City Market is one of the areas in Tanjungpinang. In the past, this area was crowded because it was close to the port. Many traders opened stalls and finally a market was created. Gradually, settlements also began to form around it. Many ethnic groups interact in this area. Old painted buildings line the street. They look similar to each other. The atmosphere around the area is still going on, although not as busy as in previous years. Therefore the Regional Government of Tanjungpinang City through the tourism and cultural sectors has made various efforts to remedy the problems that exist in the Tanjungpinang Old City market. Such as revitalizing the market, then controlling parking, and making tourism events. Tourism events that have been implemented include:

Table 1. Various Tourism Events at the Kota Lama Market

No	Tourism Event Name	Execution time
1	Merdeka Coffee Festival	August 20
2	Riau Archipelago Anniversary Event	September 10th
3	Youth Pledge Commemoration	October 28th

Source: Tanjungpinang City Tourism Office, 2022

Based on the table, the researcher is interested in knowing the economic impact that has occurred for MSME players in the Tanjungpinang old market. For this reason, the researcher made a study with the title "**Analysis of the Impact of Tourism Events for MSMEs in Tanjungpinang City**". The formulation of the problem in this study is what is the economic impact before and after the tourism event is held at the Tanjungpinang Old City Market? The limitation of the problem in this study is that SMEs are located in locations around Jalan Merdeka as a location that is always used as a place to carry out tourism events.

2 Literature Review

2.1 Micro, Small and Medium Enterprises (MSMEs)

According to Indonesian Government Regulation No. 7 of 2021, MSMEs are defined as follows: Micro Enterprises are productive businesses owned by individuals or individual business entities that meet the criteria outlined in this regulation. The capital criteria for MSMEs as stated in Government Regulation No. 7 of 2021 are:

1. Micro-Enterprises have a business capital of up to IDR 1 billion, excluding the value of business premises and buildings.
2. Small Businesses have a business capital ranging from over IDR 1 billion to IDR 5 billion, excluding the value of business premises and buildings.
3. Medium Enterprises have a business capital ranging from over IDR 5 billion to IDR 10 billion, excluding the value of business premises and buildings.

2.1 Tourist

The definition of tourism can be viewed from many angles and has no clear boundaries. Many tourism experts express their definitions of tourism from different angles, but these

different definitions mean the same thing. According to Suwanto (Hendry Yasti, I Wayan Suteja, 2022), tourism is the temporary transfer of one or more people from outside their place of residence to another place for a specific reason instead of engaging in money-generating activities. The process of traveling to Another definition of tourism, according to Damanik & Weber (Grozal, 2022), is a highly complex phenomenon of the movement of people, goods, and services and is linked to organizations, institutional and personal relationships, service needs, and services. It is closely related to serving needs.

Types of tourism according to (Kuryanti and Indriani, 2018) can be divided into several types based on their motives, like Recreation, Cultural, Pleasure, Sports, Business and Convention Tourism.

2.3 Events

Events, as defined by (Mandalia, 2022), are activities that bring excitement and draw crowds. They are a form of entertainment that can be experienced at no cost for participants. An event is not just a collection of performance art, music, costumes, and dance, but encompasses all the emotions of the people who come together in a specific place to celebrate. Events have the potential to boost a region's economic growth. According to (Rohman and Prananta, 2018), events can be categorized into public and private events. Public events include cultural celebrations, art and entertainment, business, sports, education and science, leisure, and political and state affairs. On the other hand, private events are personal celebrations such as anniversaries, family gatherings, weddings, birthdays, and social events like parties, formal dinners, and reunions.

The purpose of holding the event according to Ruslan in (Rohman and Prananta, 2018) that is: 1) Influence audiences/targets; 2) Associating a brand with a particular activity, lifestyle or individual; 3) Reaching a wider target audience; 4) Increasing public suggestions for brands, products or companies; 5) Publish a brand, product, or company that will increase audience/target knowledge.

3 Methodology

This study uses a qualitative research approach with a focus on a case study method to gather data and information about the community's views and actions related to the research topic. A qualitative analysis approach is employed, which involves describing the data using words and sentences. The research process was conducted with objectivity and honesty, by clearly communicating the research objectives to the participants and keeping their identities confidential to prevent any impact on their views and opinions. The data was collected through direct observations and interviews and the sources of information included notes from interviews, recorded interviews, photos of activities, event records and other relevant documents.

4 Result and Discussion

4.1 Tanjungpinang Old Town Market Profile

In the past, Tanjungpinang City was known as the Old City itself, as the time progressed, Tanjungpinang expanded its territory. The Tanjungpinang Old Town area is busy because it is close to the port and busy with traders. The location of the old market in Tanjungpinang City is on Jl. Merdeka No. 5, Tanjungpinang Kota Village, Tanjungpinang Kota District, Tanjungpinang City, Riau Archipelago Province. As time goes by, many shops were opened until a KUD Pelantar Fish Market was created. Shops were also built so as to advance the trading industrial area. At that time, the Tanjungpinang Old Town Market area was the center of the economy in Tanjungpinang City. Tanjungpinang has a people's market which is managed by a Regional Owned Enterprise (BUMD) of Tanjungpinang City. The KUD Pelantar Fish Market is one of the places where economic processes occur and has a strategic location because of its location directly above salt water which makes it easier for traders in the distribution process, retribution for goods, and makes it easier to bring fish to places selling curry in locations that are in ports or platforms. But now things are not like before. The buildings of the shops already look worn out as well as the facilities around them. The alleys that formed between one shop and another seemed deserted. The atmosphere in the Kota Lama Market area was not crowded but empty of visitors. The number of visitors to the Tanjungpinang Old Town Market will affect the market where this will affect the local economy. Bearing in mind, the Tanjungpinang old town market is also a suggestion for shopping.

4.2 The Impact of the Event on the MSME Economy at the Tanjungpinang Old Town Market

Table 2. List of SMEs in Jalan Merdeka Market Tanjung Pinang Old City

No	MSME name	Type of business	Impact of Tourism Events
1.	Syanti	Coffee shop	Impact
2.	Sunarti	School uniforms	No impact
3.	Jenny	Mini Market	Impact
4.	Sugianto	Padang rice	Impact
5.	Novi	Fashion	No impact
6.	Wison	Travel Services Bureau	No impact
7.	Istiqomah	Bag store	No impact
8.	Aisha	Fashion	No impact
9.	Dasrul	Eyeglasses	No impact
10.	Dina	Drugstore	No impact
11.	Ana	Photocopy	No impact
12.	Steven	Bike store	No impact

Source: Research Processed Results, 2022

Changes in income felt by the community, especially business owners and workers, are of course one of the benchmarks for the success of implementing tourism events, where the purpose of holding these events is to help restore economic conditions in the old market. The revitalization of the building also helps to beautify and revive the atmosphere that used to be a historical destination for the city of Tanjungpinang. From the income of business owners, based on the results of the analysis it is known that the business owners who earn the most income when the event is held are the owners of coffee and nasi padang shops and minimarkets. These three economic activities experienced a 30% change in income after the tourism event was held.

Because during the event visitors need a restaurant to meet their needs such as eating and drinking, thus providing a significant change in income for their business. However, 9 types of businesses engaged in fashion, accessories, bicycles and medicines did not benefit from the tourism event. Because the rates or prices charged by them are also very different from other types of economic activity.

However, various complaints began to emerge after the tourism event was held, such as roads being closed and shop operating hours closing earlier because visitors were more interested in watching the event than shopping. In addition, the shop area is also obstructed by vehicles and visitors who are less orderly so that the shop experiences a decrease in buyers during tourism events. From the results of the survey, researchers in this case can provide an illustration that tourism development in the old Tanjungpinang city market area on Jalan Merdeka has been revitalized by the Tourism and Culture sector of Tanjungpinang City. Revitalization is carried out because it has the potential to become an economic center as well as cultural tourism. But not only that, the tourism and culture sector also holds events such as the Merdeka Coffee Festival, the Riau Archipelago Province Anniversary Event, the Youth Pledge Festival and so on with the aim of helping the community's economy, especially MSMEs in the Pasar Kota Lama Jalan Merdeka area. The holding of the event was due to the move of the economic center to other areas, resulting in a low number of purchases and visits also decreased.

Events which was carried out was very interesting and had a series of diverse events. So that many spectators came but only focused on the event. Based on information from an informant, the event put up stands along the roadside in front of the shop so that it covered the shop and also covered the view from visitors. We think this is one of the reasons why the store did not benefit from the event. The other factor that causes the shop not to get an increase in profits is because the event is held suddenly. The organizers did not socialize the event that would be held at the Merdeka Street Old Town Market so that MSMEs that had shops along the street did not prepare their businesses to participate in the event.

5 Conclusion

Based on the results of research conducted by researchers regarding the impact of tourism events held at the Tanjungpinang old market on economic growth, it can be concluded that the implementation of tourism events only impacts certain businesses, such as minimarkets, coffee shops and nasi padang shops. While businesses that do not have an impact include businesses in the fields of fashion, accessories, bicycles and medicines.

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