SERVICE STRATEGY ON TOURISM BUSINESS DEVELOPMENT: EMPIRICAL STUDY ON PURBALINGGA PANYATAN WATERFALL TOURISM SPOT

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ARTICLE INFO

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<th>ABSTRACT</th>
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<td>Received 24 March 2023</td>
<td>Purpose: The aim of this study is to examine the impact of service strategy rural tourism on tourism business development in Panyatan Waterfall in Purballingga, Central Java, Indonesia</td>
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<td>Accepted 20 June 2023</td>
<td>Theoretical framework: Previous study showed that service strategy has positive impact on tourism business development, especially in famous and well-managed tourism site. However, there is still much to investigate if the situation is occurred in rural destination that not categorized tourism site, like Panyatan Waterfall.</td>
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<td>Keywords:</td>
<td>Design/methodology/approach: This research is a primary research type. The authors conducted field research on April-June 2022 to interview and distribute questionnaire to visitors. There are 543 visitors who respond and answer our questionnaire. The respondents were selected using an accidental sampling technique with the Lemeshow formula. The data were analyzed using validity, reliability, and descriptive analyses, as well as simple linear regression.</td>
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<td>Service Strategy; Service Quality; Tourism Business Development; Rural Tourism.</td>
<td>Findings: The results showed that service strategy in rural tourism has significant effect to tourism business development in this area.</td>
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<td>Research, Practical &amp; Social implications: The study revealed that service strategy that conducted by local people surrounding tourist site in Panyatan Waterfall lead positively impact to the economy of community in Panyatan Waterfall.</td>
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<td>Originality/value: The result of study indicated that the friendliness of the resident surrounding the tourist site become part of the external service of community, and it attract tourists to visit Panyatan Waterfall.</td>
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ESTRATÉGIA DE SERVIÇOS NO DESENVOLVIMENTO DE NEGÓCIOS TURÍSTICOS: ESTUDO EMPÍRICO SOBRE O PONTO TURÍSTICO DA CACHOEIRA PURBALINGGA PANYATAN

RESUMO

Objetivo: O objetivo deste estudo é examinar o impacto da estratégia de serviços do turismo rural no desenvolvimento de negócios turísticos na Cachoeira Panyatan em Purballingga, Java Central, Indonésia.

Estrutura teórica: Estudos anteriores mostraram que a estratégia de serviço tem um impacto positivo no desenvolvimento de negócios turísticos, especialmente em locais de turismo bem administrados e fomentados.

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Entretanto, ainda há muito a ser investigado se a situação ocorre em destinos rurais que não são locais de turismo categorizados, como a Cachoeira Panyatan.

**Projeto/metodologia/abordagem:** Esta pesquisa é do tipo primária. Os autores realizaram uma pesquisa de campo de abril a junho de 2022 para entrevistar e distribuir questionários aos visitantes. 543 visitantes responderam ao nosso questionário. Os entrevistados foram selecionados usando uma técnica de amostragem acidental com a fórmula de Lemeshow. Os dados foram analisados usando validade, confiabilidade e análises descritivas, bem como regressão linear simples.

**Conclusões:** Os resultados mostraram que a estratégia de serviço no turismo rural tem efeito significativo no desenvolvimento de negócios turísticos nessa área.

**Implicações para a pesquisa, práticas e sociais:** O estudo revelou que a estratégia conduzida pela população local em torno do local turístico na Cachoeira Panyatan tem um impacto positivo na economia da comunidade da Cachoeira Panyatan.

**Originalidade/valor:** O resultado do estudo indicou que a cordialidade dos moradores do entorno do local turístico se torna parte do serviço externo da comunidade e atrai turistas para visitar a Cachoeira Panyatan.

**Palavras-chave:** Estratégia de Serviço, Qualidade de Serviço, Desenvolvimento de Negócios Turísticos, Turismo Rural.

**ESTRATEGIA DE SERVICIOS EN EL DESARROLLO DE EMPRESAS TURÍSTICAS: ESTUDIO EMPÍRICO SOBRE EL LUGAR TURÍSTICO DE LA CASCADA DE PURBALINGGA PANYATAN**

**RESUMEN**

**Objetivo:** El objetivo de este estudio es examinar el impacto de la estrategia de servicios del turismo rural en el desarrollo del negocio turístico en la cascada de Panyatan, en Purbalingga, Java Central, Indonesia.

**Marco teórico:** Estudios anteriores han demostrado que la estrategia de servicios tiene un impacto positivo en el desarrollo del negocio turístico, especialmente en lugares turísticos bien gestionados y fomentados. Sin embargo, aún queda mucho por investigar sí la situación se da en destinos rurales que no son sitios turísticos categorizados, como la cascada de Panyatan.

** Diseño/metodología/enfoque:** Esta investigación es de tipo primario. Los autores realizaron un estudio de campo de abril a junio de 2022 para entrevistar y distribuir cuestionarios a los visitantes. 543 visitantes respondieron al cuestionario. Los encuestados se seleccionaron mediante una técnica de muestreo accidental con la fórmula de Lemeshow. Los datos se analizaron mediante análisis de valídez, fiabilidad y descriptivos, así como mediante regresión lineal simple.

**Conclusiones:** Los resultados mostraron que la estrategia de servicio en el turismo rural tiene un efecto significativo en el desarrollo de las empresas turísticas de esta zona.

**Investigación, implicaciones prácticas y sociales:** El estudio reveló que la estrategia de servicio llevada a cabo por la población local en torno al sitio turístico de la Cascada de Panyatan tiene un impacto positivo en la economía de la comunidad de la Cascada de Panyatan.

**Originalidad/valor:** El resultado del estudio indicó que la amabilidad de los lugareños en torno al sitio turístico se convierte en parte del servicio externo de la comunidad y atrae a los turistas a visitar la Cascada de Panyatan.

**Palabras clave:** Estrategia de Servicio, Calidad de Servicio, Desarrollo de Empresas Turísticas, Turismo Rural.

**INTRODUCTION**

Indonesia is known for its natural beauty which attracts tourists, especially the city of Purbalingga. The tourism industry is one of the leading potential sectors of this city in Central Java Province. The potential of tourism is important in the development of the regional economy as a source of income. Therefore, Purbalingga city is interesting to study regarding tourism business because it has almost all natural tourist spots. These spots include cool waterfalls, impressive highlands, and extraordinary mountains. They are spread in the city, such
Service Strategy on Tourism Business Development: Empirical Study on Purbalingga Panyatan Waterfall Tourism Spot

as the Kutabawa Flower Garden, Pring Wulung Love Bridge, Dwarf Village, Subordinate Village Lantern Bridge, Tempuran Waterfall, Nagasari Waterfall, Panyatan Waterfall, Mount Senderen, Mertelu Hill, Sibarat Peak, and Slamet Mountain. Tourism in Purbalingga grew through the utilization of natural potential and the creation of artificial tourist objects with peculiarities and advantages.

The development of the tourism business in Purbalingga positively impacts the economy of the surrounding community. According to Rustanto & Syah (2018), rural tourism in the Panusupan village had an economic impact on the surrounding community. This is because the tourism business grows more rapidly than other businesses in the community. Tourism increases foreign exchange earnings, creates jobs, and triggers economic growth. Moreover, it could encourage various countries to develop the tourism sector. The definition of tourism relates to its function and role in the economic development of the people and local revenue. Various experiences in many regions and countries have shown that tourism significantly impacts the life of the community and the region, including large and small businesses as well as street vendors. According to Metzker, et.al (2021), the service and tourism sector would reduce consumer complaints through service innovation, leading to business growth.

The Panyatan waterfall is one of the rural tours in Purbalingga that has attracted many visitors. Purbalingga is a medium city located in Central Java, Indonesia. Panyatan waterfall is a phenomenal tourist spot that attracts visitors with excellent service quality. It is located in a remote area, around 25-30 km from Purbalingga city. Tourists may involve nature practicing activities such as sightseeing, mountaineering, and agri-tourism. Almost all tourists visiting Panyatan waterfall are satisfied with the services provided. Many local and foreign tourists also visited the Panyatan waterfall, positively impacting the economy of the residents. Therefore, one of the interesting tourist sites in Purbalingga for further study is the Panyatan waterfall. Curug Panyatan has a height of about 35 meters, with clear water in a shallow river perfect for bathing or just sitting on a rock while the ankles soak in the cool water. Residents explained that the river is never dry because it has a large spring at the foot of Mount Panyatan. There are many interesting natural potentials to be explored around Curug Panyatan, such as the beautiful waterfall. Tourists also go on an adventure along the river, tracking, or camping. Furthermore, the air is cool and the friendliness of the residents is the main attraction for visitors.

The friendliness of the residents is part of the external service that attracts tourists to Panyatan. Internal services from the panyatan tourism management are also conducted well and
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consistently. The main competitive advantage of the panyatan tourism sector is friendliness and service to customers by combining local culture, tolerance, and diversity. Fully participation from Panyatan local people played a significant role to attract more tourists to visit. Previous study conducted by Hasana et.al (2021) regarding full participation local people to ecotourism showed similar result. This strategy aims to provide excellent service exceeding customer expectations. Panyatan tourism needs to provide excellent service because retaining customers is cheaper than getting new ones. According to Pratama (2016), service reliability, responsiveness, assurance, empathy, and tangibility partially and simultaneously affect tourist satisfaction. Tourism is a service trade industry with a complex regulatory mechanism regarding the movement of tourists from destinations to their home countries. This movement involves transportation, lodging, restaurants, and tour guides. The complexity of these elements influences the development of Panyatan waterfall tourism. Khan, et.al (2021) examined the concept of Corporate Social Responsibility (CSR), customer satisfaction, trust, and loyalty. The study showed the importance of providing services that increase customer satisfaction and loyalty.

Radiosunu (2001) defined service quality as a consumer assessment of the service received and expected. Customer demands force managers to provide the best service for consumers. In line with this, the quality of service at a tourist attraction is determined by understanding the customer's perception of the service received from the managers or guides. It is necessary to develop supporting facilities for the Panyatan waterfall tourist attraction to compete in this era of globalization. This would ensure that the Panyatan waterfall tourist attraction is sustained and remains attractive. The location of tourist objects strategically and close to the city is more profitable because they attract consumers. Moreover, tourist locations supported by smooth transportation and good service indirectly affect consumer interest to visit.

Tourism refers to all activities, facilities, and services resulting from the temporary movement of people to have fun and vacation in a certain area for a short time. It is often defined as a travel activity related to leisure and fun. Furthermore, tourism is a trip made for recreation or vacation, meaning its development is largely determined by service quality and customer satisfaction. The Panyatan waterfall tourism business has the potential to be developed through the quality of its services. Therefore, this study aimed to examine the quality of service in tourism development.
LITERATURE REVIEW

Stoner, et.al (2004) defined a strategy as a program to determine and achieve organizational goals and implement its mission. From a company’s perspective, a strategy is the response pattern to the organization’s environment over time. Chandler (2009) stated that strategy refers to determining the company's long-term goals and objectives, implementing actions, and allocating the resources needed to achieve the goals. In line with this, Tjiptono (2015) explained that strategy describes the business direction following the chosen environment. It is a guideline for allocating resources and efforts of an organization. Furthermore, Kotler and Keller (2014) stated that strategy is a game plan to achieve business goals using strategic thinking.

Aksa & Ratnasari (2011) explained that the concept of quality depends on the perspective used to determine the characteristics and specifications. There are three quality orientations, including (1) customer perception, (2) product/service, and (3) process. These three orientations are clearly distinguished for tangible goods, but not for services. They cannot be distinguished for services, products, and processes. According to Kotler & Keller (2014), service is an action or performance given to others and is classified into two approaches:

1. High contact service. In this classification, the contact between consumers and service providers is very high. Consumers are always involved in a process of these services.
2. Low contact service. The contact between a consumer and a service provider is low.

Lewis & Booms in Kodu (2013: 1252) defined service quality as the value of service provided according to consumers’ expectations. Service quality has a different value between the consumers’ wishes or expectations and the actual services provided. It depends on consumers’ feelings about the overall and partial services provided. Good quality is implemented with concrete action by focusing on feelings that remind consumers of the services provided. A company must provide the best service than competitors to establish a strong connection with consumers. According to Kasmir (2017), service is an act to provide satisfaction to customers, fellow employees, and leaders. Service quality also depends on the company's knowledge strategy. Bencsik (2018) analyzed the creation of business knowledge that provides services in different or similar cultures.

Lovelock & Wright (2002) stated that the perception of quality measures the long-term, cognitive evaluation, and service delivery. The benefits of service quality accumulate over time, meaning that companies must identify and implement the right service quality efforts effectively. Service quality creates value from consumer perceptions, enabling companies to
meet consumer needs and expectations. Therefore, Rustanto (2019:136) suggested good standards to support service quality, including:

1. Qualified employees
2. Complete facilities
3. Friendly, fast, and precise service
4. Effective communication
5. Have a good insight into the product
6. Understanding customer needs

Service quality has several dimensions that become the benchmarks in comparing consumer expectations and perception. According to Gronroos (2000), the main dimensions of service quality include:

1. Outcome-related dimension (technical quality). Service providers as business actors, employees, and performance systems have the knowledge and skills needed to serve customer problems professionally.
2. Image-related dimensions. It is a customer's belief in a service provider business that provides value for money, indicating a positive performance.
3. Process-related dimensions. Customers think that the performance of business people solves problems spontaneously and happily based on attitudes and behavior. Operations are designed with accessibility and flexibility, and businesses are responsible for promises through reliability and trustworthiness. Furthermore, they control situations through service recovery and have a supportive environment as well as positive experiences reflected in the servicescape.

Indonesian regulation law number 10 of 2009 (PP No 10 Tahun 2009) concerning tourism consists of seventeen chapters and seventy articles. The law has provisions covering eight areas, including:

1. Tourism is a travel activity conducted by visiting certain places for recreation, personal development, or studying the uniqueness of tourist attractions for a temporary period.
2. Tourists are people conducting tourism.
3. Tourism is a variety of activities supported by facilities and services provided by the community, businessmen, and local governments.
4. Tourism is a multidimensional and multidisciplinary activity that manifests the needs of people and the country, as well as the interaction between tourists, local governments, and entrepreneurs.

5. Tourist attraction is anything with uniqueness, beauty, and value. This could be a diversity of natural, cultural, and man-made wealth purposed for tourist visits.

6. Tourism destinations are geographical regions located within one or more administrative areas with interrelated tourist attractions, public facilities, accessibility, and communities that complement the realization of tourism.

7. Tourism business provides goods and or services to fulfill tourist needs.

8. Tourism entrepreneur is a person conducting tourism business activities.

Kurniawan (2017) stated that tourism is a process of temporary departure to another place outside a residence. The momentum for departure is due to economic, social, cultural, political, religious, health, or other interests such as curiosity to gain experience or learn. Meanwhile, Spillane (1994) defined tourism as a temporary journey to find balance or harmony and happiness in the social, cultural, natural, and scientific environment. Tourism development is an effort to advance tourist objects to make them better and more attractive to tourists.

Anindita (2015) explained that tourism development should be based on the following four principles:

1. Ecological sustainability. Tourism development must protect natural resources considered tourist attractions, such as the marine environment, forests, beaches, lakes, and rivers.

2. Continuity of social and cultural life. It must increase the community’s role in supervising life through the value system.

3. Economic sustainability. Tourism development must create job opportunities for all parties to be involved in economic activities through a healthy and competitive system.

4. Improving the quality of life of local communities by providing opportunities to be involved in tourism development

Sustainable tourism development should be supported by careful planning and reflect three dimensions of interest, the tourism industry condition, the carrying capacity of natural resources, and local communities to improve the quality of life. Based on Santoso (2006), the elements of tourism development include:

1. Attractions. Attractions arise from natural conditions such as beautiful panoramas, flora and fauna, marine waters, and lakes. They also arise from man-made objects such
as museums, cathedrals, ancient mosques, and ancient tombs, or cultural elements and events, including arts, customs, and food.

2. Transportation. The development of transportation affects the flow of tourists, accommodation, and the flexibility of the direction of travel. Transportation by train is linear with few branches or bends. In contrast, the direction could be varied when traveling by car or airplane, in which various natural obstacles are crossed.

3. Accommodation. Places to stay include those built for public purposes, such as hotels, motels, lodges, and vacation camping sites, and for individuals to accommodate family, acquaintances, or members of certain associations.

4. Facilities. The provision of facilities and services is growing and varies in line with the flow of tourism. The development of shops and services at tourist attractions begins with the provision of services for daily needs, such as food sellers, drink stalls, or snacks. This is followed by trading services, including salesmen, craftsmen, comfort, and pleasure. Other services include clothing shops, furniture stores, security, and safety. Furthermore, related services are provided by doctors, pharmacies, police, and firefighters, as well as developments concerning luxury goods sales.

5. Infrastructure. Adequate infrastructure is needed to support services and related facilities. Indirect infrastructure development also provides benefits for residents and supports tourism development. This involves the construction of transportation infrastructure and the provision of drinking water, electric lighting, and sewerage.

Morajker & Melo (2022) examined a tourist site in a remote area in Goa, India. The study identified the factors that positively impact tourist perception in the rural area. The results showed that twenty factors influence tourist perception, including the distance and the need to rent guest houses. The guest houses are technically equipped with televisions, phones, internet connection, air conditioners, refrigerators, lighting, and clean beds with washed blankets.

MATERIAL AND METHODOLOGY

This quantitative deductive study collected data using questionnaires, observations, and structured interviews. According to Sugiyono (2019), quantitative methods are based on the philosophy of postpositivism and examine the condition of natural, specific, clear, and detailed objects. Furthermore, deductive data analysis helps understand the meaning and construct detailed phenomena from the literature on the study problem. This study used primary data
The study population comprised an unknown number of visitors to the Panyatan waterfall tour. The respondents were determined through accidental sampling using the Lameshow formula. In this case, a sample is part of the population’s number and characteristics (Sugiyono, 2019). This study did not know the exact number of the population. Therefore, the number of samples was determined using the Lameshow formula, as follows:

\[
Z \frac{a^2 \cdot P \cdot Q}{d^2}
\]

Information:

\[n = \text{Minimum number of samples required}\]
\[Z = \text{The standard distribution value} = 5\% = 1.96\]
\[P = \text{Prevalensi outcome, because the data has not been obtained, it is used} 50\%\]
\[Q = 1 - P\]
\[d = \text{Accuracy level} 10\%\]

The Lameshow formula was used to determine the number of samples as follows:

\[
n = \frac{1.96^2 \times 0.5 \times 0.5}{0.1^2}
n = 96.04
\]

The calculations results showed the number of study samples was a minimum of 96 respondents. However, data were collected from 543 respondents and analyzed using simple linear regression analysis calculated by SPSS Version 20. The study also used data collected through semi-structured interviews with visitors. Questionnaires, interview guidelines, and observation guidelines were tested using validity, reliability, and data normality tests. Furthermore, the data were processed using simple linear regression based on a functional or causal relationship between independent and dependent variables. T-test and coefficient of determination were adopted in hypothesis testing to determine the partial significance of the independent variable’s effect on the dependent variable. The tests assumed that other independent variables are constant. The coefficient of determination was employed to establish the accuracy of the estimated value or regression line with the sample data. Furthermore, the study also used supporting data from the results of interviews and observations. Interviews were conducted with 96 respondents from the management of tourist attractions and visitors. The
respondents were determined through random sampling and observation for three months. Further processing was conducted on the results of the data.

RESULTS

Regression analysis was used to calculate the average estimate and the relationship between the dependent and independent variables. Also, simple linear regression was based on a functional or causal relationship between the independent and dependent variables as follows:

Table 1. Coefficients Data

<table>
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<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
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<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
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<td>1 (Constant)</td>
<td>29.674</td>
<td>8.674</td>
<td>7.978</td>
<td>.000</td>
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<tr>
<td>Kompetensi</td>
<td>.904</td>
<td>.481</td>
<td>.964</td>
<td>.000</td>
</tr>
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a. Dependent Variable: Service Strategy
Source: data processing SPSS 20 Version (authors)

Table 1 shows that the regression equation is \( Y = 29.674 + 0.481X \), with the constant as 29.674. This means that the consistent value of the tourism business development variable is 29.674. The \( X \) regression coefficient of 0.804 implies that a 1% addition to service quality increases the value of tourism business development by 9.855. Furthermore, the positive regression coefficient means that the direction of the influence of variable \( X \) on variable \( Y \) is positive. These results support Anggraini (2014) that good tourism services increased the number of visitors and provided additional income for residents in Malang city, East Java. The tourism business could create jobs for residents by selling or becoming tour guides. Moreover, the residences around tourist sites serve as business locations for guest houses and homestays. The data showed that the quality of services provided at Panyatan positively impacts the development of waterfall tourism.

Kurniawan (2017) stated that the tourism business is developing because the quality of service increases business opportunities around tourist sites. The increase in visitors after the renovation has also become rapid. This is in line with the results that service quality positively and significantly influences tourism business development. The findings showed that the regression coefficient or \( T \)-count for the service quality variable is 9.855, exceeding the \( T \)-table value of 1.660. This implies that service quality influences tourism business development, with a significance level of 0.000. The results confirm Ho but contradict Ha because 0.000<0.05. Therefore, service quality significantly influences tourism business development. After testing
the partial test or T-test, the coefficient of determination analysis was performed to determine the quadratic correlation and the influence of the X variable on Y, as follows:

Table 2. Summary Data

<table>
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<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. The error in the Estimate</th>
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<td>1</td>
<td>.471*</td>
<td>.686</td>
<td>.568</td>
<td>5.26423</td>
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a. Predictors: (Constant), Service Strategy
Source: data processing SPSS 20 Version (authors)

Table 2 shows that the coefficient of determination is 68.6%. This result means that 68.6% of the tourism business development variables are influenced by service quality. The remaining 31.4% is influenced by other factors not examined. According to Gunardi (2010), tourist areas with adequate infrastructure lead to higher visitor attractiveness. The results support Wahid (2015) regarding strategies for tourism development such as increasing road infrastructure development to facilitate access to tourism objects. In this case, Panyatan waterfall tourism improves infrastructure and increases the ease of road access to tourist sites. The friendliness of residents and the management of tourist attractions are the best forms of service. As a tourism business, Panyatan Waterfall considers service quality an important factor for business development. Services are provided implicitly and explicitly, as well as directly and indirectly by the management and the surrounding community. The community is responsive to assisting tourists, feeling empathy for every need at tourist sites, and providing appropriate services. Indirect services are provided through improving infrastructure and easier road access to tourist sites.

Haghkhah, et.al (2011) conducted “The Impact of Service Quality on the Tourism Industry” and showed that the service strategy has several dimensions. These include the quality of accessibility, accommodation, place, and components that contribute directly to tourist satisfaction, their intention to return, and the development of the tourism industry. According to Tabbasum et.al (2012), service quality varies among travelers of different age groups in terms of reliability. In line with this study, quality services significantly and positively impact the tourism business.

The respondents agreed that service quality affects tourism business development. The regression coefficient of the service quality variable was 9.855, exceeding the T arithmetic of 1.660. These findings mean that service quality (X) significantly influences tourism business development (Y), with a significance level of 0.000. Since 0.000<0.05, Ho was rejected and Ha was accepted. Therefore, service quality significantly influences the development of the
tourism business. The t-value indicates that service quality positively and significantly influences the development of the Panyatan waterfall tourism business.

Pratama (2016) found that the number of historical building tourist areas is satisfactory based on assessment criteria. The visitors are satisfied with the services provided by employees at tourist sites. This increases tourism business development because of tourist satisfaction. Furthermore, Robinson et.al. (2019) found that innovating and exploring more tourist destinations and providing the best service to consumers helps maintain a good image of tourism for consumers. These include providing support facilities and recycling or rejuvenating existing facilities to make them more attractive. Furthermore, innovation increases the safety and comfort of visiting tourists by setting competitive prices but is not detrimental to the tourism department and the community. Care and maintenance must also be carried out regularly at every tourist attraction. According to Dvorsky et.al (2020), the use of strategic management increases the competitiveness of companies and their stability in domestic and foreign markets. Strategic management is useful for long-term survival, stability, and expansion because the country's economy depends on SMEs. In this case, tourism is important in business development in SMEs and is influenced by the service strategy carried out. Efnita (2017) found that good services lead to tourists’ satisfaction and significantly affect the business development.

**DISCUSSION**

This study aimed to measure the impact of service strategy on tourism business development in Panyatan Waterfall, a rural tourism spot. The results are consistent with Osman and Sentosa (2013) conducted in tourism spots in the rural area of Malaysia. The previous study found that service quality has a significant implication for rural operators regarding profitability. The implication refers to a positive effect on rural tourism business development. In Rural Malaysia tourism spot, Aziz et.al (2018) conducted focus group discussions in the local communities in Kedah at Sungai Sedim Nature Forest (SSNF). The study found a strong relationship between the appreciative inquiry approach to tourism development. One of the successes of service strategy by local operators is innovation in tourism services. Furthermore, the study showed that one competitive advantage of Panyatan tourism is the friendliness of people near the tourist spot. The locals welcome spectators that come and enjoy the tourist spot. In the process, the blending of local culture, wisdom, respect, and diversity attracts more tourists. Moreover, in case of tourist site in Komodo Island (the eastern province of Indonesia),
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Study conducted by Lasso and Dahles (2018) found that souvenir business offers adequate return to back-up to for local people’s income. Even there is a potential threat also come to locals people if rely on only to income to tourist visit if not many tourists visit again.

However, tourism in Panyatan waterfall should innovate to keep and attract tourists in the future. Keep innovating in tourism business will make tourists will visit their site. This is because innovation is needed to maintain the tourist spot (Cosma, et.al, 2014). Like study conducted by Kunt and Gulcan (2021) in the case of tourist site in Turkey, both researchers found that “creative message” can be implemented a possible strategy to change behavior in the arena of tourism.

CONCLUSION

This study found that Panyatan Waterfall is a tourism business that considers service quality an important factor for business development. It provides services implicitly and explicitly to develop the tourism business. Based on the tests carried out using the partial test or t-test. The results showed that the regression coefficient is 9.855, exceeding the T arithmetic of 1.660 for the table quality variable. This means that service quality significantly influences tourism business development, with a significance value of 0.000. Therefore, Ho was rejected while Ha was accepted because 0.000<0.05. The result also showed that the coefficient of determination is 68.6%. This means that 68.6% of the tourism business development variables are influenced by the quality of licensing services. The remaining 31.4% is influenced by other factors not examined. Limitations for this research, the authors only focus on services, lack of attention to elaborate more on tangible stuffs which are important for visitors in rural tourism spot like Panyatan Waterfall. For future studies, the authors suggest to investigate the amenities needed in rural areas such as Panyatan Waterfall.

REFERENCES


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