

E-PROCEEDING

OCSS

Academic Conference on Social Sciences 2019

Jointly Organized by:



UNIVERSITI
TEKNOLOGI
MARA

Cawangan Kedah
Kampus Sungai Petani



UNIVERSITAS
MATARAM

Service Innovation in the Indonesian Tourist Village Industrial Cluster: Evidence from the Lombok Tourism Corridor

Lalu M. Furkan¹, Agusdin², Luluk Fadliyanti³

University of Mataram, Indonesia

¹lalu.furkan@gmail.com

INTRODUCTION

Service industry is an emerging industry contributing significant share on the economic growth (Spohrer & Maglio, 2008:238; Meffert & Bruhn, 2009:3). In addition, service sector in developed countries account for about two-third of GDP (de Vries, 2004:4; hauknes, 1998:1, Djellal & Gallouj, 1999:218). Even countries rely on the manufacturing industry are now shifting to the service industry (Hipp et al. 2000:418; Meffert & Bruhn, 2009:457).

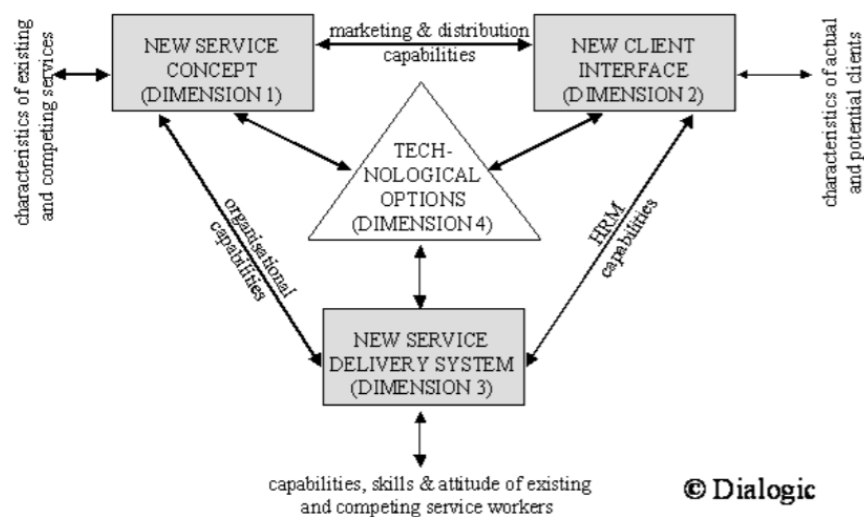
PURPOSE/AIM & BACKGROUND

Innovation is also another source of economic growth (Maravelakis et al, 2006:283; de vries, 2004:4). The significance of innovation to the economy, policy and society (Thom, 1980:3; Vahs & Burmester, 2005:2) has directed scholars to inter-dicipline research. Scholars from applied science, political science, social sciend, and economic science (Hauschildt & Salomo, 2007:35) have studied the nature of innovation for decades. In fact innovation research, mostly, focused on the technological innovation aspect. Therefore innovation researches have been done on the manufacturing industry (de Vries, 2004:4; Tether, 2005:154; Spohrer & Maglio, 2008:241). That is why the research on service innovation were expected to be supplier dominated (Tether, 2005:154; Droege et al, 2009:132; pavit, 1984). Comparatively, research on service innovation are only few compare to manufacturing innovation (Dolfsma, 2004:319; Hipp et al, 2000:418: Tether, 2005:154). Scholars are inviting for wider research on service innovation (Spohrer & Maglio, 2008:241; Rust, 2004; Jimenez-Zarco et al, 2006:275). This study is set with the Indonesian service sector such as tourism industrial cluster. Indonesia has great potential on the tourism industry. This research aims to clarify innovation practices on the Indonesian tourist village industrial cluster.

METHODOLOGY

The Lombok tourism corridor was elected based on the Master Plan of the acceleration of the Indonesia economic development 2011-2025. Qualitative research approach was chosen for determining service innovation practices in the Lombok tourist industrial cluster. Exploratory case studies were applied in Setanggor village (Central Lombok), Sesaut village (West Lombok), and Kerujuk village (North Lombok). In-depth face-to-face interview was taken among the key informant of the three villages related to service innovation practices. Triangulation technique was used on explaining the service innovation practices on the cluster. Applying Den Hertog framework for exploring innovation practices on the Lombok tourism village industrial cluster as described on the research framework below.

RESEARCH FRAMEWORK



Source: Den Hertog, 2009

FINDINGS

The service innovation on the Lombok tourism village industrial cluster was produced within new type of inter-relationship among institutions on the cluster. Collaboration among government-university-industry was the driver of service innovation. Transfer knowledge and technology among institutions on the cluster explain the service innovation practices on the tourist village industrial cluster. The service innovation varies among the three villages. It depends on the level of network they made. Their

ability of building new network on the cluster explains to what extent their service innovation practices.

CONCLUSIONS

Service innovation will be explained in the great detail as well as their network on the paper. The Lombok tourist village industrial cluster was also explained in great detail. The role of government is very important on developing the Lombok tourist village industrial cluster; however, the universities have less contribution on the cluster. It should be improved on the near future. Involving digital media is a relevance strategy to boost the market focusing on the international market. The domestic market should be considered for cluster development. In short, the Lombok tourist village industrial cluster development requires the better collaboration and partnership of penta-helix model: partnership among government-academia-industry-socio-digital media. This penta-helix helps the cluster development.

Keywords: Service Innovation, Tourism Village, Industrial Cluster, Service Industry, Tourism Corridor