

Facts and Readiness of Souvenir Shops in Implementing the Industrial Revolution 4.0: A Case Study in Manado

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Keywords: Souvenir shops, Information Technology.

Abstract: Souvenir-shop is one part of the tourism system Industrial chain. In the present world tourism sector has implemented the Industrial Revolution 4.0 in various scales and characteristics. Therefore, the souvenir-shops should also have implemented it. Manado city in Indonesia as a coastal tourism city that offers natural landscapes, seascapes and traditions, still needs to be supported by the presence of souvenir-shops. Through this study, it was investigated about the souvenir store's readiness in the city of Manado in applying the Industrial Revolution 4.0 in their daily business processes. The method used was the distribution of questionnaires containing questions about the Industrial Revolution 4.0. It contains the readiness of workers, information promotion systems, a database of goods, online sales interactions, and networking with outside parties. Ten souvenir shops in Manado city were as objects of this research. In general, it can be concluded that most of the shops did not correctly implement the Industrial Revolution 4.0. They need a kind of guidance and assistance from the government so that they could better prepare to implement the Industrial Revolution 4.0 in order to improve the quality of their business.

1 INTRODUCTION

The fast-growing Electronic Commerce has changed the paradigm of business affairs in recent years. E-commerce enabled big opportunity to do sales, promotions, offer some services by the internet. Popular since the end of 1970th, E-Commerce is trading transactions made by online in a computer network arranged in a database between the product provider and the party who needs the product, between costumers and producers.

The world of tourism and travel activities, on the other hand, have also proliferated. As one of tourists destination in MICE (Meeting, Incentive, Conference, and Exhibition) Manado grew up and became a famous tourism city since 2009 at the moment of World Ocean Conference (WOC). Ample of New structures constructed in order to accommodate both national and international events. Dozens of industrial wheels are spinning well as an effect of MICE events, including Event Organizer, rental transports, digital printing, travel agencies, and culinary business.

During the late six years, the visitors came to Manado raised 2.4 times. It indicated that the city has been able to attract travellers to visit some interest

objects around. Consequently, the development of numbers of accommodations and restaurant businesses lived up. Unfortunately, it does not comply with the flourishing of handicrafts and souvenirs enterprises. Some of them are bankrupted unable to maintain their business. Others are running in limited conditions.

In a discussion and press gathering with the leaders of the National Assembly in 2018, the head of provincial planning board stated that North Sulawesi has tourism potential is quite large but was constrained by infrastructure and human resources problems.

This research focused on the problem of human capital resources skill related to souvenir shops adaptation process dealing with the revolution of Industrial Technology Information and communication. The importance of tourism affairs is considered as the main objectives of economic development for the local government. This issue should be compatible with the Industrial Technological Revolution 4.0.

We are currently entering the beginning of a revolution that fundamentally changes the way of life, jobs opportunity and the relation of both (Schwab, 2017). In his book "The Fourth Industrial

Revolution” he mentioned that the presence of the industrial revolution 4.0 had changed human lifestyles especially in an urban area which introducing various kinds of businesses affairs, new jobs, new professions that were never predicted before. Online shopping and online transportation came up offering new opportunities to achieve financial gain.

The research aims to uncover the existence of the souvenir shops that have leading roles as provider merchandise for travellers as a souvenir when they leave the city. The shops play an essential role to increase the attractiveness of tourism in visiting North Sulawesi. The main research question is to what extent the readiness of the shops to meet the challenges of the industrial era 4.0 and how they maintain their business involved with the digital world.

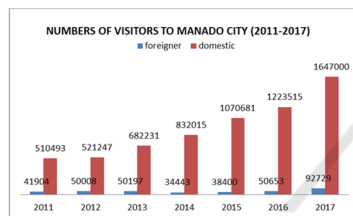


Figure 1: Growing numbers of visitors to Manado city.

2 METHODS

The focus of research is on the usage of computer-based information Technology and Communication as a device to obtain, sending, processing, interpreting, storage, organize, and managing the data in their trading activities in Manado. An investigation was held by distributing questionnaires containing questions about the readiness of workers, information promotion systems, database of commodities, online sales interactions, and networking with outside parties.

Twelve souvenir shops participated in this research: 5 among those were located around Tikala District, near Manado City Hall; 2 were located along Sam Ratulangi Street, and 5 offered their products along the road to the Main Airport of Manado City. They are listed as follows :

Table 1: List of participants and its product on the research.

No.	Shops' name	Location	Main Products
1	Christine Klappertaart	Tikala	Ethnic foods.
2	Miens Souvenir	Tikala	Handycraft, textiles
3	Manado Souvenir	Tikala	Handicraft, snacks
4	Kawanua Souvenir	Tikala	Handicraft, snacks
5	Aneka Rasa Souvenir	Tikala	Handicraft, snacks
6	Lenso Manado	Sam Ratulangi	Textiles, handicrafts
7	Merciful Building	Sam Ratulangi	Handicraft snacks garments.
8	Maengket Souvenir	Kairagi	Textiles, garments, handicrafts
9	Manarou Souvenir	Kairagi	Snacks, handicrafts
10	MM Bakery & Café	Kairagi	Pastry, snacks
11	Oleh Oleh Manado Indry	Kairagi	Snacks, handicrafts.
12	Oleh Oleh Oma Yuli	Kairagi	Snacks, handicrafts

The method used was the distribution of questionnaires containing questions about the management system in their enterprises, whether the information technology was used fluently among the labours. Semi Open-ended questions were delivered, which allowed the entrepreneurs of souvenir expressed three main issues about significances of the technological device in their trading activity. Those three issues are 1) sales promotion of their products, 2) storage system of goods and 3) Skill of the labours.

3 RESULTS AND DISCUSSIONS

The result shows that :

3.1 Sales Promotion Activities

The majority of souvenir shops in the city of Manado have already used a website and YouTube for marketing their merchandise, but the use of this tool is only for passive promotions. The activity of communication used are WhatsApp media, SMS and voice call through cellular phones is increasingly intensive to discuss various business affairs. The friendship linkage frequently becomes the way to promote by using a limited application of mobile phone like WhatsApp or Short Messages System.

(SMS). Advertising and promoting through media online were not widespread yet.

Updating the current information related to the tourism business is observed through the internet. However, discussion about these matters has occurred within the friendship linkage through Whatsapp Groups media.



Figure 2: Souvenirs shops along the road to Manado Airport.

Relationship with national and international partners or stakeholders of similar service providers on tourism affairs is conducted on the limited linkage among close friend. Communication was held through popular applications such as Whatsapp and SMS.

3.2 Stockage System

The souvenir shops are never used technological device for managing their merchandise. The availability of products for sales is managed traditionally. Order and delivery system was running manually.



Figure 3: Products of merchandise: Handicrafts and garments

Cellular phone with the limited application was the primary technological device they used for running their business, whereas some other application capable of increasing the sales of their products and could give the more added value like better quality, reliability, skills, and more interest.

3.3 Skill of Labors

Technology needs to be managed effectively in order to enforce changes in a person’s behaviour on the utilization of technology for profitable business competition.

The labours of the souvenir shops relied on the only device or cellular phone in their daily activities by using WhatsApp, SMS and voice call application in limited services. Other applications for improving their skill were never used for the benefit of their jobs or running a business. There is no specific requirement in the recruitment process of staffing.

Information technology is everything that supports us to record, store, process, retrieve, transmit/deliver and receive information (Behan & Holmes, 1990). Development of Information Technology and Communication is beneficial in every aspect of human life, as well as in the domain of commerce. Information networks have an extensive and comprehensive range, and the existence of e-commerce business is one of the alternative ways that are beneficial for service and trade entrepreneurs.

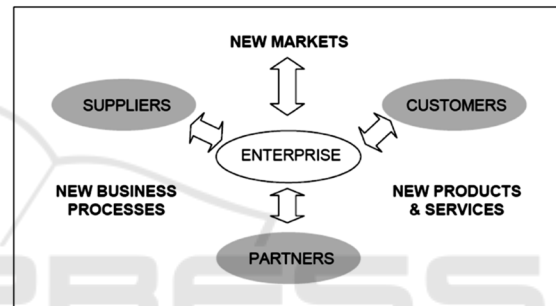


Figure. 4: Relationship between souvenir shops and supplier – costumers – partners.

Souvenir shops should maintain and use an effective and efficient information system to identify and evaluate customers, suppliers, and employees. It is beneficial for support transactions, sales, procurement planning.

During the industrial revolution 4.0, trading and management affairs rely more on ITC. Working processes are changed and transformed in order to increase productivity. Improve product quality and satisfy the customers.

Technically, the information and communication technology rapidly developed; however, the capability of entrepreneurs in optimally benefit it, at a certain point, needs a big effort. The five elements of information systems needed great effort for their implementation: hardware, software, human resources, data and facilities/procedures (Mildawati, 2000).

Expansion the productivity for entrepreneurs often meet some obstacles, among others, the slow process of mastering technology, lack of preparedness organizations in the management of

changing, decision making, coordination, and hardware maintenance. The most crucial obstacle in Indonesia is the local culture of society who are not accustomed to modern life and still maintain the traditional way of trading.

The readiness of workers in general as critical human resources for the public building is in questioned. Their skills, motivation, and wages affected the work ethic. The result showed that most of the workers depend on the smartphone gadget as a tool for individual consumption and communication with each other. They are using a simple and accessible application for chatting, playing games and other personal needs in working.

Recruitment of staff had lacked the personal skills condition. There are no prerequisites for the job offer. Subsequently, the result in competition for the business of souvenir could hardly be developed. The result shows that many entrepreneurs in this field failed and bankrupted.

The shopkeepers passively monitoring the development of tourism affairs through the internet, communication activity occurred on a limited linkage. Communication with other business partners and stakeholders in the tourism sector (such as hospitality, travel agencies) is managed by using a mobile phone or Short Message Services. Online service has not become part of all selected shop respondents.

4 CONCLUSIONS

The business of supplying goods and marketing products is an inseparable part of regional tourism support activities that can elevate local identities that need to be preserved because they have become the target of local governments in supporting tourism programs.

Conclusion of the research that most of the souvenir shops could hardly afford to take advantage of new technology in the Industrial Revolution 4.0. They need attentive guidance and assistance from the local government so that they could be well prepared in order to improve the quality of their business.

Supported by many natural potential and beautiful panorama on the coastal area, Manado has a geographical uniqueness with a strategic location to grow up MICE tourism. (Meeting, Incentives, Conference and Exhibition). Various national and international events have taken place in this city, which was capable of fostering competition and competitiveness of the city in the development of tourism. Convenient services should support all of

this in terms of accommodation, transportation, culinary industry, and the provisions of souvenir shops. But unfortunately, the readiness in organizing various events was constrained by the availability of human resources as a support for the planned activities.

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