



# STRATEGIC PLANNING IN TOURISM DEVELOPMENT IN SIMALUNGUN REGENCY, LAKE TOBA

Silvia Yulianti Sinaga<sup>1</sup>, Amie Kusumawardahni<sup>2</sup>

<sup>1,2</sup>Diponegoro University, Indonesia

Email: <sup>1</sup>[sylviaasinaga@gmail.com](mailto:sylviaasinaga@gmail.com), <sup>2</sup>[Amie.assignment@gmail.com](mailto:Amie.assignment@gmail.com)

## ABSTRACT

*Tourism development is pivotal for local and national economic growth, prompting continuous governmental efforts to foster it as a reliable income source. One such effort is the establishment of National Tourism Strategic Areas, including Lake Toba as one of the ten priority areas in Indonesia. This study examines the role of strategic planning in developing tourism in Simalungun Regency, Lake Toba. The objective is to analyze the significance of strategic planning and offer recommendations for tourism enhancement in the region. Utilizing qualitative descriptive analysis and SWOT analysis, the research identifies the region's potential, strengths, weaknesses, and threats. Findings emphasize the necessity of synergy among institutions, stakeholders, and business actors to boost tourism promotion, environmental education, transportation infrastructure, and digital technology utilization. The study concludes that with a well-implemented strategic plan, Simalungun Regency can emerge as a sustainable and competitive tourism destination, providing actionable insights for future development efforts.*

**Keywords:** Strategic Planning, SWOT, Tourism

## 1. Introduction

Tourism is one of the fastest-growing economic sectors globally and serves as a major contributor to both local and national economies (Lopes et al.,2021). Tourism contributes to up to 6 percent of global exports (Fletcher et al.,2017). Current tourism development in Indonesia also positions itself as a promising economic sector in the industrial world due to its annual growth. The significant impact of tourism on a country's economy, including Indonesia, motivates the government to promote tourism development in every tourist destination in the country, one of which is through the designation of "10 Priority Government Areas" or the establishment of National Tourism Strategic Areas (KSPN). KSPN is a national strategy focused on strengthening policies, activities, and programs at each tourist destination to observe changes after development (Stephanus et al.,2020).

Strategic management in the tourism industry relates to the adaptation and implementation of fundamental business strategy principles designed specifically to meet the unique needs and demands of the tourism sector. The strategic management approach in the tourism industry requires comprehensive analysis and application of various business strategies aimed at optimizing performance and achieving favorable outcomes in the continuously evolving sector (Moutinho & Vargas-Sanchez, 2018). According to Mjaku & c, (2020), the definition of strategic management involves a diverse and intricate process encompassing the formulation and implementation of strategies to achieve the goals set by the organization. This complex process involves a comprehensive analysis of both internal and external environments, where factors such as strengths, weaknesses, opportunities, and threats to the

organization are carefully examined and evaluated. The strategies formulated through a series of steps include preparation, implementation, evaluation, and monitoring. To achieve successful strategic management, it is crucial to identify key factors contributing to successful strategies for all types of companies or institutions, whether government entities or private enterprises (Farid, 2022). The ultimate goal of strategic management is to create a sustainable competitive advantage for the organization and ensure long-term success (Sridadi, 2014).

The importance of strategic planning in tourism development has been examined from several crucial aspects. Ruhanen (2012) highlighted the difficulty of integrating stakeholder groups and decision-making in the context of tourism goal planning, emphasizing the importance of strategic vision concepts for sustainable development. Lai et al., (2006) emphasize the importance of integrating master planning and tourism background analysis to ensure the alignment of implementation programs with master plans. Shpak et al., (2022) underscored the need for an in-depth examination and evaluation of the investment component's influence on the progress of the tourism industry. Meanwhile, Suparman et al., (2023) highlighted the importance of air transportation accessibility, and Subawa et al., (2021) emphasized the role of tourist area promotion, particularly through Virtual Reality Module (VRM) technology, in increasing tourist numbers. Overall, stakeholder collaboration, planning integration, investment, transportation accessibility, and VRM-based promotion are crucial elements that support sustainable tourism development.

Lake Toba, also known as the Kawasan Danau Toba (KDT), is a place formed due to the eruption of the supervolcano Mount Toba. Simalungun Regency is part of the Key Tourism Areas (KTA) (Dincer et al, 2019). This regency is among the most visited and traversed areas within Lake Toba because of its strategic location along the shores of Lake Toba and its position along the primary arterial road, serving as a gateway to other tourism areas around Lake Toba. The villages of Parapat and Tigaraja exert significant influence on Simalungun Regency as they host nearly all tourism support facilities and have better accessibility than other villages. Since the 1990s, Parapat and Tigaraja have experienced rapid growth dominated by accommodations, hotels, and restaurants, resulting in most residents engaging in trade and service industries, particularly accommodation and transportation services.

The inclusion of Kawasan Danau Toba (KDT) in the National Tourism Strategic Area (KSPN) presents significant opportunities for tourism growth. However, despite being part of the KSPN, Simalungun Regency faces its own challenges in terms of infrastructure and tourist visitation.

Table 23. Data on the number of tourists in Simalungun Regency for the years 2015-2021

Year	Domestic Tourists	International Tourists	Total
2015	133.700	160.744	294.444
2016	142.485	172.405	314.890
2017	290.811	456.430	746.458
2018	425.260	14.536	439.796
2019	542.003	17.383	559.386
2020	371.159	119	371.278
2021	179.407	30	179.437

Source: Simalungun Regency Statistics Agency, 2022

Based on the data provided in the table, it is evident that there are significant differences in the number of tourist visits each year in Simalungun Regency. Particularly for international

tourists, there has been a clear and significant decline since 2018. This disparity can be attributed to various factors, one of which is promotion efforts. It is known that Simalungun Regency faces significant limitations in its promotional efforts, resulting in a lack of awareness among potential visitors. So far, the efforts made by the Simalungun Regency Tourism Office to promote tourism include the creation of a website, [Simalunguntourism.com](http://Simalunguntourism.com), which contains information about festivals, tourist attractions, hotels, restaurants, and the latest news about tourism in Simalungun Regency.

In addition to the less-than-optimal promotion, accessibility to tourist locations is also not easy. The distance between Sisingamangaraja International Airport and Lake Toba is 71.3 kilometers, taking approximately 2 hours by car. On the other hand, the distance from Kuala Namu Medan Airport (KNO) to Lake Toba is 98.8 kilometers, with a travel time of about 3 hours and 20 minutes by car using the toll road. However, if traveling via regular roads without using the toll road, the journey can take up to 4 hours and 27 minutes.

This intriguing phenomenon has prompted researchers to pose questions related to the development of tourism in Simalungun Regency, including how stakeholders in Simalungun's tourism sector utilize strategic planning processes to develop existing tourism. Answers to these questions are crucial in understanding how Simalungun Regency can enhance its tourism sector and compete effectively. This research is also built upon earlier studies. For instance, in a prior investigation conducted in Bukit Simarjarunjung, Simalungun Regency, Purba & Rangkuti, (2023) asserted that the area holds substantial potential for tourism development. Despite concerted efforts, however, it has failed to draw sufficient numbers of local, national, and international tourists. Some important findings revealed in their research include:

- a. **Organizational Strategy:** The Simalungun Regency Tourism and Culture Office has implemented an organizational strategy that establishes competency assessment standards for employees.
- b. **Program Strategy:** Due to poor planning, program strategies have not been fully implemented in the Bukit Simarjarunjung area, especially in terms of marketing and promotion activities.
- c. **Resource Support Strategy:** Challenges, including the Covid-19 pandemic, have hindered the full utilization of resource support strategies.
- d. **Innovative Approach:** The Disparbud website serves as an innovative approach to enhancing the region's competitiveness in the tourism industry. These findings emphasize the importance of strategic planning and the need to address existing gaps to promote tourism development in Simalungun Regency.

The research only illustrates how Disbudpar implements tourism development strategies in Bukit Simarjarunjung. Therefore, this study aims to serve as a further investigation to identify the issues faced by tourism in Simalungun Regency through SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats), where the results will provide appropriate strategies to address these issues. Thus, this research will contribute to the previous research. A directed and measured strategic planning process can provide a strong foundation for tourism development and help identify the potential challenges faced by the tourist destination. Therefore, this research is expected to make a significant contribution to tourism development efforts in the Simalungun Regency.

## **2. Literature Review**

### ***2.1 Tourism Development***

Tourism is one of the fastest-growing economic sectors globally and a major contributor to both local and national economies (Lopes et al., 2021). Tourism development involves a series of efforts aimed at achieving the integrated utilization of resources in tourism and the integration of various aspects outside tourism that are directly or indirectly related to tourism

development (Fletcher et al., 2017). Tourism development is a national strategy employed by the government to boost the national economy, where tourism relies on aspects such as natural potential, culture, history, and the way of life of local communities. Tourism development is carried out through the development of tourism elements, namely the demand (supply) aspect of tourism. There are four components in the demand aspect of tourism: attractions, accessibility, amenities, and ancillary services (Cooper, 2020).

a. Attraction

Tourism attractions are crucial factors in tourism, serving as the primary reason and holding significant value for tourists (Fletcher et al., 2018). Attractions can be grouped into several categories, including cultural attractions such as religious sites and museums; traditional attractions such as festivals and cultural events; and events such as sports activities and folk celebrations (Fletcher et al., 2017). Tourism attractions possess allure as they can be witnessed and explored by tourists, offering unique experiences that are different from other attractions (Ridwan, 2019). Uniqueness, authenticity, originality, and diversity are essential aspects of tourism products (Manggala Putra et al., 2015).

b. Accessibilities

Tourist travel is closely related to ease of access to tourist locations (Soekadijo, 2000). Transferability, or ease of movement, is one of the offerings that must be provided by tourism organizers. Therefore, in tourism development, attention should be paid to the readiness and availability of transportation modes to support the tourist movement from one place to another (Ridwan, 2019).

c. Fasilitas (*Amenity*)

The complementarity between tourist motives and attractions results in tourist journeys with diverse needs such as food, rest areas, and accommodation, known as tourist needs. The comfort and safety of tourists depends on tourism facilities and infrastructure, such as roads, clean water, and dining places. Facilities such as restaurants, hotels, shopping areas, and tour services also enhance the tourist experience (Soekadijo, 2000).

d. Ancillary

Additional services needed today are information and the promotion of tourist destination attractions. Publication, promotion, and sales activities in marketing are realizations of tourism (Soekadijo, 2000).

## 2.2 *Tourism Development Model*

Tourism development is a series of efforts aimed at achieving the integration of resource utilization in tourism, as well as the integration of various aspects outside of tourism that are related either directly or indirectly to tourism development (Cooper, 2016). Tourism development is one of the strategies employed by the government to boost the national economy, where tourism relies on elements such as natural potential, culture, history, and the way of life of local communities. According to Cooper, (2016), tourism development can also be attributed to the impact of the industrial revolution on technology, such as transportation technology.

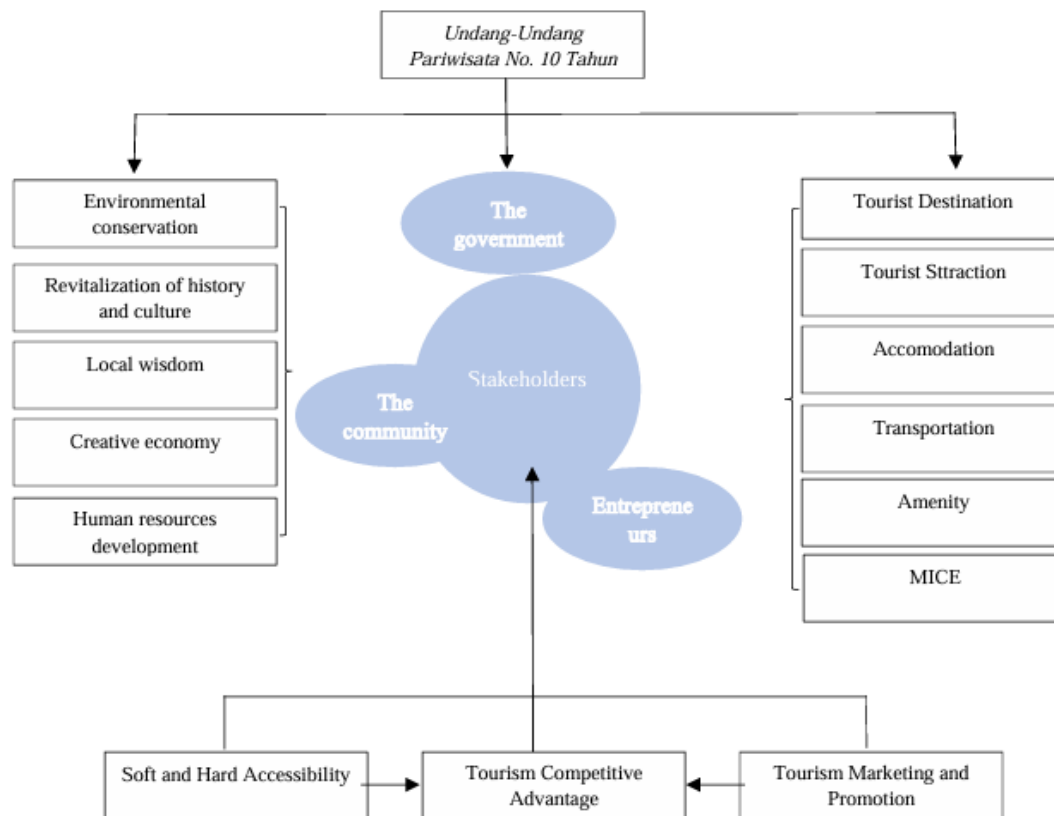


Figure 15. Tourism Development Model

### 2.3 Strategic Planning

Strategic planning is a series of steps taken by organizations to ensure strategic direction and appropriate resource utilization. The strategic planning process includes steps such as strategic analysis, development, implementation, and monitoring, where managers use various criteria to select strategies that align with the company's goals and situational analysis results. Strategic planning is also defined as a systematic approach to formulate, implement, and monitor organizational strategies and formally document organizational expectations (Hopkins, 1997). There are three main components of strategic planning, as outlined by Hopkins.

#### 1. Formulation

The primary objective of strategy formulation is to develop a plan that aligns with the company's strategic goals, thereby creating a competitive advantage and achieving sustainable profitability over time (Grant, 1991).

##### a. Mission Development

Mission is a key element in strategic management that serves as guidance in setting company strategies. Unlike vision, which determines future direction, the mission is not time-bound and aims to answer essential questions about the existence of an organization.

##### b. Identification of Primary Goals and Objectives

Goals represent the implementation of the organization's mission, meaning setting specific achievements within a specific timeframe, while objectives are a more specific elaboration of goals. A goal can be achieved if the objectives are met, and it is important to set SMART (specific, measurable, achievable, relevant, and time-bound) goals to provide a clear focus for the organization and facilitate performance evaluation.

c. Internal and External Environmental Assessment

Internal environmental analysis evaluates the strengths and weaknesses of an organization, including resources, capabilities, and organizational structure, to provide a comprehensive understanding and valuable input in strategy development (Hopkins, 1997). Meanwhile, external environmental analysis considers external opportunities and threats, such as market trends and competition, helping the organization formulate strategies that leverage strengths and opportunities while addressing weaknesses and mitigating threats (Hopkins, 1997).

d. Selection of Alternative Strategies

Selecting alternative strategies in strategic planning is a crucial process in which an organization evaluates and chooses effective actions to achieve desired goals. This process considers the internal and external factors that influence an organization's capabilities, enabling the identification, assessment, and selection of appropriate strategic alternatives (Hopkins, 1997).

2. Implementation

Implementation in strategic planning involves executing selected strategies, including resource allocation, designing the organizational structure, and orchestrating activities towards goal achievement. This process also entails monitoring the progress of strategies and taking corrective actions if necessary to ensure alignment with the plan. This stage is crucial, as it determines an organization's ability to effectively execute strategies and achieve its goals.

3. Control

Control in strategic planning is the process of monitoring the implementation of strategies and taking corrective actions if necessary. This involves setting performance standards, measuring actual performance, and taking corrective action if there are significant deviations. Control is essential to ensure that the organization remains on the chosen strategic path and adapts to any obstacles that may arise in achieving its goals.

**3. Methods**

*3.1 Research Design and Sampling Method*

Qualitative research, according to Creswell, (2017), examines complex processes by comprehensively understanding phenomena, and is used to address questions about human behavior and their responses to problem-solving strategies. Qualitative data consist of verbal information collected through questionnaires, surveys, interviews, or observations, comprising primary data (obtained directly by researchers through interviews) and secondary data (obtained from other sources, such as media and documentation). The main differences between the two are their sources and collection methods.

*3.2 Data Collection and Analysis*

Data are divided into two types: primary and secondary data, where primary data are obtained through methods such as interviews and direct observations in the field, while secondary data are obtained through studies and reviews of Lake Toba tourism documents. Purposive sampling means that members are specifically chosen and considered experts in the field under study, such as someone knowledgeable about Lake Toba's tourism.

Table 24. Criteria for Respondents in Research

Interviewees/Respondents	Criteria
Government Institutions	<ul style="list-style-type: none"> <li>• Hold a Specific Position in Simalungun Regency</li> <li>• Have Knowledge of the Tourism Conditions in Simalungun Regency</li> </ul>

	<ul style="list-style-type: none"> <li>• Play a Role in Planning and Developing Tourism in Simalungun Regency</li> <li>• Have Knowledge of the Potential and Issues of Tourism in Simalungun Regency</li> </ul>
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Source: Authors, 2024

Table 25. Informants

No	Code	Informants Based on Criteria	Sample Size
1	N1	Department of Culture, Tourism, and Creative Economy of Simalungun Regency	1
2	N2	Simalungun Regency Tourism and Creative Economy Agency (Bapperida)	1
3	N3	Department of Industry and Trade of Simalungun Regency	1
4	N4	Department of Environment of Simalungun Regency	1
5	N5	Department of Public Works of Simalungun Regency	1
6	N6	Bank Indonesia	1
7	N7	Community-Based Tourism Development Group (POKDARWIS) of Simalungun Regency	1
8	N8	Village-Owned Enterprises (BUMDES) of Simalungun Regency	1
9	N9	Business Actors	1
10	N10	Tour Guides	1
Total			10

Source: Authors, 2024

The method used for technical data analysis involved qualitative descriptive and SWOT analyses. Qualitative descriptive analysis compares phenomena in a comparative study and classifies them based on specific standards or norms. The goal is to provide a deep and contextual understanding of data using words rather than numbers. The process involves data collection from various sources, selection of relevant data, thorough examination, and drawing of conclusions. This method analyzes, describes, and summarizes various conditions or situations found in the data, such as the interview results or observations. Freddy (1997) explains that SWOT analysis is a systematic process for identifying various factors for formulating company strategies. This approach aims to maximize strengths and opportunities, while minimizing weaknesses and threats.

## 4. Results and Discussion

### 4.1 Characteristics of Simalungun Regency

Simalungun Regency is part of the *Kawasan Danau Toba* (KDT) and holds a position as a PKL (Center of Activity and Services) and KSK (Strategic District Area) with a focus on economy, social, cultural, and environmental aspects according to the Spatial Planning of Simalungun Regency. This regency is included in national and provincial strategic areas with an emphasis on economic growth and environmental protection. The national strategic area includes Lake Toba and its surrounding areas, while the provincial strategic areas include the Highland Agropolitan, Tebing Tinggi – Siantar, and Simalungun – Batubara – Asahan along with the Sei Mangke Special Economic Zone.

### 4.2 Tourism Development

Following the establishment of the National Tourism Strategic Area (KSPN), Lake Toba tourism was identified based on the 4A concept: Attractions, Amenities, Accessibility, and Ancillary Services. The development of tourism in the Girsang Sipangan Bolon Subdistrict is uneven because of the prioritization of certain areas for development. Based on the analysis

conducted, centers and sub-centers for tourism development were identified to facilitate tourism development efforts.



Figure 16. Tourism in Simalungun Regency

4.3 Internal and External Environment Analysis

The direct assessment of internal factors in tourism in Simalungun Regency employs an internal environmental analysis method aimed at evaluating the strengths and weaknesses of tourism development strategies. Nathanael & Susanti, (2022) explains that the focus is on identifying existing strengths and weaknesses within the context of an organization. Table 3 presents the strengths and weaknesses of tourism in Simalungun Regency. The data in the table were obtained through a series of in-depth interviews with stakeholders in the region. Each aspect comprises four points that cover key factors: strengths and weaknesses. After identifying the internal factors in tourism in the Simalungun Regency, the next step is to calculate the weights and scores to analyze these factors more deeply.

Table 1 Strengths and Weaknesses of Tourism in Simalungun Regency

	Strengths	Weaknesses
<b>Internal Factors of Tourism in Simalungun Regency</b>	1. Abundance of tourism potential	1. Low awareness of tourism among the community
	2. Strong value/attractive attributes	2. Limited accessibility in reaching tourist destinations
	3. Well-equipped with adequate amenities	3. Tourism promotion that has not reached the expected level of effectiveness
	4. Extensive networks	4. Lack of synergy among institutions, stakeholders, and businesses

Source: Authors, 2024

Meanwhile, research on the external environment is conducted to evaluate opportunities and threats related to strategic plans in the development of the tourism sector in Simalungun Regency using a direct observation approach. Nathanael & Susanti, (2022) explained that the purpose of external environmental analysis is to identify opportunities and threats in the operational environment of an organization. Table 4 presents the opportunities and threats of tourism in Simalungun Regency, with each point obtained based on in-depth interviews with stakeholders in Simalungun Regency. Each aspect contained four main points that represented opportunities and threats. Thus, after identifying the external factors in tourism in the Simalungun Regency.

Table 2 Opportunities and Threats of Tourism in Simalungun Regency

	Opportunities	Threats
<b>External Factors of Tourism in Simalungun Regency</b>	1. Changing trends and tourist preferences	1. Natural phenomena or environmental conditions with the potential to alter the attractiveness of the tourism sector
	2. Increased connectivity in transportation	2. Competition arising from other tourist destinations



Opportunities	Threats
3. Advancements in information and communication technology	3. Economic crises impacting tourist visitation interest
4. Government support for the Development of Lake Toba Tourism (Through the implementation of Policies or Regulations related to Lake Toba KSPN).	4. Dynamics of change in regulations and policies related to the tourism sector.

Source: Authors, 2024

#### 4.4 IFE (Internal Factors Evaluation) and EFE (Eksternal Factors Evaluation) Matrix

Putri et al. (2014) explained that the IFE matrix is used to assess the weight and rating of internal and external factors in agrotourism. This involves analyzing the internal and external factors of a company using weighting and rating methods.

Based on the data in Table 5, it can be concluded that the total score for internal factors was 2.58. This score is divided between strengths and weaknesses, with a strength value of 1.96 and a weakness value of 0.62. These results indicate that strengths have a higher value than weaknesses, suggesting that tourism in Simalungun Regency has the ability to leverage its strengths to address existing weaknesses.

Table 3 Matrix IFE (Internal Factors Evaluation)

Internal Factors	Weight	Ranking	Weighted Score
<b>Strengths:</b>			
1. Abundance of tourism potential	0,13	4	0,53
2. Strong value/attractive attributes	0,13	3,9	0,51
3. Well-equipped with adequate amenities	0,13	3,8	0,50
4. Extensive networks	0,13	3,2	0,42
<b>Subtotal</b>	<b>0,53</b>		<b>1,96</b>
<b>Weaknesses:</b>			
1. Low awareness of tourism among the community	0,13	1	0,13
2. Limited accessibility in reaching tourist destinations	0,12	1,2	0,14
3. Tourism promotion that has not reached the expected level of effectiveness	0,11	1,2	0,13
4. Lack of synergy among institutions, stakeholders, and businesses	0,11	1,9	0,21
<b>Subtotal</b>	<b>0,47</b>		<b>0,62</b>
<b>Total</b>	<b>1,00</b>		<b>2,58</b>

Source: Authors, 2024

Table 4 Matrix EFE (Eksternal Factors Evaluation)

External Factors	Weight	Ranking	Weighted Score
<b>Opportunities:</b>			
1. Changing trends and tourist preferences	0,14	4	0,56
2. Increased connectivity in transportation	0,14	4	0,56
3. Advancements in information and communication technology	0,12	4	0,47
4. Government support for the Development of Lake Toba Tourism (Through the implementation of Policies or Regulations related to Lake Toba KSPN).	0,12	3,5	0,41
<b>Subtotal</b>	<b>0,51</b>		<b>2,00</b>
<b>Threats:</b>			
1. Natural phenomena or environmental conditions with the potential to alter the attractiveness of the tourism sector	0,13	1,4	0,18
2. Competition arising from other tourist destinations	0,13	2,3	0,30
3. Economic crises impacting tourist visitation interest	0,10	1,3	0,14

External Factors	Weight	Ranking	Weighted Score
4. Dynamics of change in regulations and policies related to the tourism sector.	0,12	2,6	0,31
<b>Subtotal</b>	<b>0,49</b>		<b>0,93</b>
<b>Total</b>	<b>1,00</b>		<b>2,93</b>

Source: Authors, 2024

Based on the data in Table 6, the total score for external factors is 2.93, divided between the score for opportunities of 2.00, and the score for threats of 0.93. This indicates that the opportunity factor has a higher value than the threat factor, suggesting that the tourism sector in the Simalungun Regency has the ability to leverage existing opportunities to address threats. According to the same table, the primary opportunities for tourism development in the Simalungun Regency are changes in tourism trends and increased transportation connectivity, with scores of 0.56 each. The increase in transportation connectivity, particularly in North Sumatra, is believed to have a positive impact on the tourism sector in the Simalungun Regency, considering its inclusion in the National Tourism Strategic Area (KSPN) and its status as a primary gateway to the Lake Toba Tourism Area.

However, there are also major threats in the tourism sector of the Simalungun Regency, such as competition arising from other tourism destinations, dynamics of changes in regulations and policies related to the tourism sector, and the potential economic crisis that could reduce tourist interest. Additional information from the Ministry of Transportation and the National Development Planning Agency (Bappenas) indicates that Indonesia's economic conditions in the next five years will face significant challenges, both in terms of climate and the growth of community productivity, as stated in the National Medium-Term Development Plan (RPJMN) 2025-2029

#### 4.5 Determining the Position of Tourism in Simalungun District in the SWOT Quadrant

To determine the position of Simalungun District Tourism in the SWOT quadrant, we utilized the score results of the assessment for each factor, both internally (strengths and weaknesses) and externally (opportunities and threats), that have been identified. Strengths and weaknesses variables were placed on the X-axis, whereas opportunities and threats variables were placed on the Y-axis. Based on an analysis of the IFE and EFE matrices, the position of Simalungun District Tourism in the SWOT quadrant can be obtained as follows:

Table 5 Determination of the Position of Tourism in Simalungun Regency

Factors	Score	Coordinates (Strengths-Weaknesses) (Opportunities-Threats)
<b>Internal</b>		
1. Strength	1,96	Coordinates X= 1,34
2. Weaknesses	0,62	
<b>Eksternal</b>		
3. Opportunities	2,00	Coordinates Y= 1,07
4. Threats	0,93	

Source: Authors, 2024

The coordinates are then mapped in the SWOT analysis diagram in the following Figure 1:

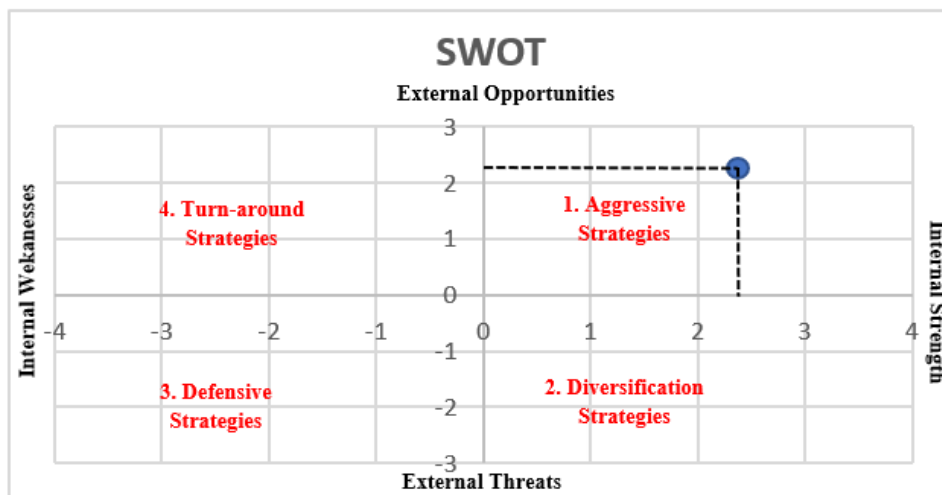


Figure 17 Positioning of Tourism Development in Simalungun Regency

Based on the diagram, the results indicate that Tourism in Simalungun Regency is in quadrant I, which indicates a strong and potentially advantageous condition. This finding is consistent with Rangkuti's (2016) view that quadrant I reflects the most favorable condition, where opportunities and strengths are optimal. The recommended strategy is an aggressive strategy, which means maximizing strengths to exploit as many opportunities as possible to maintain the existence of Tourism in Simalungun Regency. According to Hambali and Andarini (2021), the recommended strategies are market potential and product development.

The SO (Strength-Opportunity) strategy becomes the main focus in this position, allowing for the implementation of market penetration and product development strategies. This is reinforced by the views of Sari et al. (2020), who stated that the market penetration strategy aims to expand market share through more intensive marketing efforts, while the product development strategy aims to increase revenue by improving or developing new products. Market penetration efforts can be made by expanding the market share of domestic and international tourists. Additionally, tourism managers in the Simalungun Regency need to enhance online product promotion using social media to reach a wider audience.

#### 4.6 SWOT Matrix Analysis (Strength, Weakness, Opportunity, Threat)

The SWOT matrix is a strategic analysis tool used to evaluate internal factors (strengths and weaknesses) as well as external factors (opportunities and threats) that influence an entity or project, in this case, the development of Lake Toba tourism. In this context, the SWOT matrix is used to identify crucial factors that can affect the success of tourism development.

Table 6 The Results of the SWOT Matrix

IFE	Strength (S) List of Internal Strength Factors	Weakness (W) List of Internal Weaknesses Factors
<b>Opportunities (O)</b> List of Eksternal Opportunities Factors	<b>Strategy SO</b> 1. Utilizing tourism potentials by adapting to trends and tourist preferences through periodic market research. 2. Enhancing the attractiveness value by leveraging information and communication technology, particularly through digital platforms	<b>Strategy WO</b> 1. Anticipating threats of natural phenomena with mitigation and adaptation through emergency plans and early warnings, to ensure the resilience of Lake Toba tourism destinations against natural disasters. 2. Increasing differentiation and adding value to tourist attractions by continually innovating, so tourism destinations offer

<b>IFE</b> <b>EFE</b>	<b>Strenght (S)</b> List of Internal Strength Factors	<b>Weakness (W)</b> List of Internal Weaknesses Factors
	and social media, to improve accessibility and promote Lake Toba tourism destinations. 3. Strengthening amenities by enhancing the quality and quantity of facilities to increase tourist attraction and satisfaction at tourism destinations. 4. Utilizing networks for strategic partnerships with local governments, local businesses, and communities for sustainable tourism development.	unique experiences that differentiate them from other destinations. 3. Addressing economic crises by diversifying income sources and target markets, and adjusting marketing strategies to attract tourists from various market segments. 4. Leveraging extensive networks to adapt to the dynamics of changes in tourism regulations and policies through active participation in dialogue with governments and stakeholders and developing strategic partnerships to influence policies that support the growth of the sector.
<b>Threats (T)</b>	<b>Strategy ST</b>	<b>Strategy WT</b>
List of Eksternal Weaknesses Factors	1. Increasing public awareness through engaging and educational promotional campaigns, leveraging changes in tourism trends and preferences to support tourism in the Lake Toba vicinity. 2. Addressing accessibility limitations by enhancing transportation connectivity, through collaboration with relevant parties to improve transportation infrastructure and facilitate tourist access to tourism destinations. 3. Enhancing the effectiveness of tourism promotion through the utilization of information and communication technology, using digital platforms and social media to expand audience reach and increase destination brand awareness. 4. Strengthening synergy among institutions, stakeholders, and businesses to enhance tourism promotion, through regular meetings, project collaborations, and joint programs to effectively achieve promotional goals.	1. Conducting educational campaigns for the community about the importance of environmental conservation and sustainable tourism, to reduce the negative impacts of potential natural threats in the Lake Toba vicinity. 2. Optimizing the development of alternative transportation infrastructure and offering unique value propositions to enhance tourist destination accessibility and attract more visitors. 3. Maximizing promotion strategies through digital platforms and social media, as well as developing special promotion packages to attract tourist interest during economic hardships. 4. Strengthening synergy among institutions, stakeholders, and businesses to address changes in tourism regulations and policies, by collaborating to influence policies that support tourism growth and environmental sustainability.

Source: Authors, 2024

With the implementation of these strategies, it is hoped that the development of Lake Toba tourism can proceed more effectively and have a positive impact on the local community as well as regional economic growth. A comprehensive SWOT analysis and the implementation of appropriate strategies will be the key to success in optimizing the potential of Lake Toba tourism and making it a superior and sustainable tourist destination.

## 5. Discussion

The findings of this research shed light on the strategic planning processes employed by tourism stakeholders in Simalungun Regency and the steps taken to enhance the existing tourism sector. The importance of a directed and measurable strategic planning process in tourism development cannot be overstated. By adopting a structured strategic planning

approach, Simalungun Regency can lay a strong foundation for identifying the potential and challenges of its tourism destinations, enabling it to compete effectively in the tourism industry.

The SWOT analysis executed in this research unveiled pivotal internal strengths and weaknesses of tourism development in Simalungun Regency. These internal elements play a pivotal role in molding the future direction of tourism in the region. By harnessing strengths like cultural allure, natural splendor, and community involvement, stakeholders can leverage existing assets to amplify the tourism sector. Tackling weaknesses such as infrastructure constraints and limited brand recognition will be imperative in surmounting obstacles and fostering sustainable advancement.

Additionally, the strategic suggestions put forth in this research endeavor to steer tourism development endeavors in Simalungun Regency. Augmenting cooperation among institutions, stakeholders, and enterprises is essential for effective tourism promotion and sustainable expansion. Utilizing digital platforms and social media can broaden audience outreach and augment destination brand recognition, while fortifying synergy among key entities can address fluctuations in tourism regulations and policies, ensuring compliance with industry norms and environmental sustainability.

## **6. Conclusion**

It can be concluded that tourism development in Simalungun District, Lake Toba, is a strategic step toward boosting the local economy and strengthening the region's position as an attractive tourism destination. The strategic planning process plays a key role in guiding tourism development efforts by focusing on identifying the potential, strengths, weaknesses, and threads.

The importance of synergy among institutions, stakeholders, and businesses in enhancing tourism promotion, environmental education campaigns, optimizing transportation infrastructure, and utilizing digital technology for promotion are the main highlights of this study. These steps are expected to enhance the attractiveness of tourism destinations, improve accessibility, and prioritize environmental sustainability.

With the analysis of internal and external environments and the implementation of measured strategic plans, Simalungun District has the potential to develop into a sustainable and competitive tourism destination. Support from various parties, continuous performance monitoring, and adaptation to environmental changes are the key to the success of tourism development in the region. In conclusion, efforts to develop tourism in Simalungun District require close collaboration among various stakeholders, the implementation of targeted strategies, and commitment to environmental sustainability. With the right steps and strong support, Simalungun District has the potential to become a superior and competitive tourism destination at both the regional and global levels.

## **7. Recommendation**

Based on the findings and conclusions of this study, the following recommendations are proposed to enhance tourism development in Simalungun Regency and maximize the potential of Lake Toba as a sustainable and competitive tourism destination:

- a. **Strengthening synergy:** Enhances collaboration among institutions, stakeholders, and businesses to boost tourism promotion efforts. This can involve joint marketing campaigns, cooperative initiatives, and shared resources to maximize the promotional impact.
- b. **Environmental Education Campaigns:** Launch comprehensive educational campaigns aimed at raising awareness about environmental conservation among tourists, local communities, and stakeholders. This includes workshops, seminars, and informational materials, highlighting the importance of preserving natural resources and biodiversity.

- c. Optimization of transportation infrastructure: Improving alternative transportation infrastructure to enhance accessibility to tourism sites. This could involve upgrading roads, developing public transportation systems, and implementing innovative transportation solutions to facilitate tourist mobility within the region.
- d. Digital platform utilization: Digital platforms and online marketing strategies are utilized to promote tourism effectively. These include leveraging social media channels, developing user-friendly websites, and implementing targeted digital marketing campaigns to reach a wider audience and attract more visitors.
- e. Collaboration for Policy Influence: Collaborate with relevant stakeholders to advocate for policies that support tourism growth and environmental sustainability. This may involve engaging with local authorities, policymakers, and community leaders to influence regulations, zoning ordinances, and land-use policies that prioritize tourism development, while safeguarding natural resources and ecosystems.

By implementing these strategic recommendations, Simalungun District can enhance its tourism sector, attract more visitors, and contribute to sustainable economic growth, while preserving its natural and cultural heritage.

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