The Role of Creative Economy in Increasing the Interest of Hotel Guests Based on Local Wisdom

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ABSTRACT

The creative economy is one sector that is expected to become a pillar of the Indonesian economy in the future. The purpose of this study is to ascertain how the creative economy influences hotel visitors' levels of interest. The research method used is quantitative, the study used a questionnaire distributed to hotel visitors with a total of 100 samples. According to the findings and debate, there is a considerable and positive relationship between the importance of the creative economy and visitors' interest. Hotel management must increase promotion with creative economic activities that are developed especially in the culinary field, increasing local wisdom culture (such as the lenggang none dance, Japit Betawi), creativity and interior design innovation that is Instagram able.
INTRODUCTION

In Indonesia, the expansion of the tourist industry is being promoted as one of the industries that will significantly boost economic growth and improve the welfare of the populace. This is a result of the ongoing growth of Indonesian tourism, which can be observed in the rising number of visitors to Indonesian tourist locations, which are renowned for their natural beauty, amiable residents, and cultural diversity. This industry's support of regional income is anticipated to have positive future prospects at the regional level (Fajri & ES, 2016).

A novel economic theory known as the "creative economy" depends on ideas, insights, and expertise from human resources as a factor of production. It blends information and creativity. Four components of production—natural resources, human resources, capital, and direction or management—are recognized in economic research (Arjana & Bagus, 2016). The rapid development of the number of hotels in Jakarta has resulted in very tight hotel competition. The hotel growth rate reaches around 15 percent annually, while the increase in tourist visit rates only reaches around 7-8 percent per year, this unbalanced growth results in an imbalance between the amount of demand and available supply and will indirectly impact the continuity of hotel operations. This has spurred hotel management to further improve hotel quality in order to get as many consumers as possible.

The rapid development of the number of hotels in Jakarta has resulted in very tight competition for hotels. According to (Central Statistics Agency, 2022). The Room Occupancy Rate (TPK) of star hotels in Indonesia from year to year is 56.90 percent. Non-star hotels by 26.45 percent. This unbalanced growth causes the amount of demand and available supply to indirectly affect the continuity of hotel operations. This has an impact on hotel management to improve accommodation standards in an effort to attract more guests.

![Hotel room occupancy 2018-2022](image)

**Figure 1. Hotel room occupancy 2018-2022**

Based on hotel room occupancy rates for 2018 - 2022, it shows that in 2018 and 2019 the percentage value for room occupancy is relatively high, namely 66%, while the lowest percentage value for room occupancy occurs in 2020,
namely 44%. The Covid-19 pandemic has made the hotel industry and the occupancy rate of Kosenda Hotel rooms decrease. In 2021 there will be a slight increase, with a percentage value of 52%. In 2022 the room occupancy rate will increase by 61%.

Tourism as an industry is dependent on supply and demand to grow. A surge in interest in travel is one of the predicted future trends in the industry. Travelers desire more authentic travel and lifestyle experiences, while consumers are seeking for more interactive entertainment with educational components. Competition between nations serving as tourist destinations is escalating both at the regional and worldwide levels, which is affecting the dynamics of the global tourism business. The more competitive a country is as a travel destination, the more tourists it will draw, and the more money they will spend there. The Gross Domestic Product (GDP), national economic expansion, and standard of living of the populace will all rise as a result. In contrast, tourism is a labour-intensive, low-productivity industry, and tourism development could encourage a shift of resources from high-productive industries (i.e., manufacturing) to the tourism sector, resulting in a reduction in manufacturing output.

The development of the creative economy is inextricably linked to the development of the creative industry, because the development of the creative economy necessitates the support of the economic industry. The growth of the creative economy is thought to be a method for emerging countries to keep up with global economic advancements. This is because the creative economy sector relies more on the community's imagination and intellect to leverage existing local potential. The development of a creative economy in a certain location is highly dependent on the quality of human resources in growing an intelligence's creativity. In other words, the growth of the creative economy is an alternative economic activity for the community in growing its potential. This research is important to do to improve the performance of hotel management to increase revenue. The objective of this research is to analyses the role of the creative economy in increasing the interest of guests visiting the hotel.

LITERATURE REVIEW

Creative Economy

The creative economy is a new concept that combines ideas, ideas, knowledge-based information and the creativity of human resources as a factor of production. Therefore, the creative economy is a way to develop the economy, be competitive and have the latest resources through sustainable creativity. In other words, the creative economy is a manifestation of the spirit of survival, which is very important for a developing country like Indonesia that we love (Darwanto et al., 2013)

According to Howkins, creativity occurs when someone says, executes, and creates something new. This means making something out of something that wasn't there before, or giving it something new. It is an idea (Rohmah, 2017). The creative industry mapping study that was carried out by the Ministry of Trade of the Republic of Indonesia in 2017 uses a reference to the definition of creative industries, so that creative industries in Indonesia can be defined as industries that in their operations are very dominant in synergizing the utilization of
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creativity, skills, and talents of individuals and groups through the creation and utilization of creative power, as well as the ability to innovate. The sub-sectors that are part of creativity-based industries are:

- **Advertising**, namely creative activities related to advertising services, such as the process of creating, producing, and distributing advertisements, such as distributing leaflets, booklets, circulars, and brochures.
- **Architecture**, which includes creative activities linked to building design services, construction cost planning, heritage building conservation, and overall construction monitoring from the macro to the micro level. Garden architecture, interior design, and so on are examples).
- **Design**, which includes creative activities such as graphic design, interior design, product design, industrial design, corporate identity consultancy, marketing research, and package manufacture and packaging services.
- **The art products market**, which consists of creative activities related to the trading of original, one-of-a-kind, and rare objects with high artistic aesthetic value via auctions, galleries, stores, supermarkets, and the internet. Musical instruments, printing, crafts, autos, films, fine arts, and paintings are only a few examples.
- **Handicrafts**, which include handicrafts made of precious stones, natural and artificial fibers, leather, rattan, bamboo, wood, metal (gold, silver, copper, bronze, iron), porcelain, cloth, marble, clay, and lime. These handcrafted items are often manufactured in small quantities (not in mass quantities).
- **Music**, which includes creative activities such as sound recording creation/composition, performance, and distribution.
- **Fashion**, which includes creative activities such as designing clothing, footwear, and other fashion accessories, producing fashion apparel and accessories, consulting on fashion product lines, and distributing fashion products.
- **Interactive games**, which are creative activities related to the development, production, and distribution of computer and video games for entertainment, agility, and education. The interactive gaming sub-sector is dominated not just as a source of enjoyment, but also as a learning or instructional tool.
- **Video, film, and photography**, which are creative activities associated with the creation of video production, film, and photographic services, as well as the dissemination of video recordings and films. Scriptwriting, film dubbing, cinematography, soap operas, and film exhibitions are all examples of this.
- **Performing arts**, which include content development, performance production (e.g., ballet, dance, theatre, traditional music, dramatic music, opera), design and manufacture of performance clothes, stage setting, and lighting setups.
- **Computer and software services**, which include creative activities related to information technology development such as computer services, data processing, database development, software development, system integration design and system analysis, software architecture design, software and hardware infrastructure design, and portal design and maintenance.
• Research and development, which are creative activities associated with innovative firms that give scientific and technical breakthroughs
• the application of this knowledge and knowledge for product improvement and the development of new products, processes, materials, tools, and technologies that can meet market needs, including those related to the humanities such as language research and development, literature, and arts, as well as business consulting services and management.
• Publishing and printing, which include creative activities such as authoring content and publishing books, journals, newspapers, magazines, tabloids, and digital material, as well as news agency and news seeking activities. Postage stamps, duty stamps, paper money, blank checks, demand deposits, letters of contribution, bonds of shares, other securities, passports, airplane tickets, and other special issues are also included in this sub-sector. Publication of pictures, engravings, and postcards, forms, posters, printing of artworks and other printed matter, including film micro-recordings, are also included.
• Television and radio, specifically creative activities related to the business of creating, producing, and packaging television shows (such as games, reality show quizzes, and infotainment), broadcasting and transmitting television and radio content, including station relay activities (retransmitting) radio and television broadcasts.

Based on these types, technology-based creative industries are software related to computer equipment, animation, film, video and photography, music, and interactive games. Types of art, craft, fashion, design goods are mostly based on arts and crafts creativity. Various ethnic groups in Indonesia, so that the creative industry in Indonesia can thrive so that it really supports the development of Indonesian tourism.

Indonesia needs to promote its creative industries since they are crucial to the growth of the national and regional economies. First off, the creative industry sector has a large positive impact on the economy by boosting exports, employment, and GDP. Second, fostering a prosperous corporate environment that influences other industries. Creating the nation's image and identity through tourism, national symbols, creating culture, cultural heritage, and local values comes in third. Fourth, it is founded on resources that can be replenished, like science and improved creativity. The fifth is developing invention and creativity, which gives a country a competitive advantage. Finally, it can have favorable societal effects including raising social tolerance and life quality (Darwanto et al., 2013)

Interest
Interest is something that is unintentionally born with full will and which depends on talent and environment. Interest is one of the psychological aspects that encourage humans to achieve their goals.

Elements of Interest: Attention A person is said to be interested if a person is accompanied by attention, namely the high creativity of the soul which is solely focused on an object, so someone who is interested in an object will definitely
focus his attention on that object; Pleasure Feelings of pleasure towards an object, whether a person or thing, will generate interest in a person, a person feels attracted, then in time the desired desire arises so that the object becomes his. Thus, the individual concerned tries to defend the object; Will Willingness in question is an impulse that is directed at a goal desired by the mind. This encouragement will give birth to the emergence of an attention to an object. So that the person's interest will appear (Adityaromantika, 2010)

H1 : There is a positive influence on the role of the creative economy in increasing the interest of guests visiting the hotel

The main focus of this research is related to the role of the creative economy in increasing the interest of guests visiting the Kosenda Hotel. The form of utilization of the creative economy is used as a container and means to market a product or service. The feedback that is obtained by the Kosenda Hotel object gets additional income from the private sector or the local community who have a business unit at the tourism object. With the existence of a creative economy, it can also spoil visitors by making it easier to shop around the Kosenda Hotel object. In addition to being a special attraction for visitors, it can also increase the economic level of the people who have business units in these tourism objects.

Figure 2. Conceptual Framework

METHODOLOGY

This study uses a causal research design that has a causal relationship. Operationalization of variables by describing a number of operational variables (indicators) that directly indicate things that are observed or measured.

a. Independent Variables (Independent Variables)

Creative Economy (X1)

A novel economic theory known as the "creative economy" depends on ideas, insights, and expertise from human resources as a factor of production. It blends information and creativity. Four components of production—natural resources, human resources, capital, and direction or management—are recognized in economic research (Arjana & Bagus, 2016)

b. Dependent Variable

Interest (Y)

Interest is a liking and a sense of interest in something or activity without being informed. Interest is essentially the recognition of a relationship between oneself and something outside oneself. The stronger or closer the bond, the bigger the interest. Developing an interest in something is essentially assisting kids in seeing how the stuff they are expected to learn relates to them as individuals. According to Slameto (2015). "Interest is a constant tendency to pay attention to and remember some activities," states the author. Activities that kids are engaged in are consistently given attention, accompanied by a sense of joy and fulfillment.
Population and Sample
The research population is visitors to the Kosenda Hotel in June 2022 - June 2023. Sampling employs a probability sampling technique that gives each element (member) of the population an equal chance of being chosen as a sample member. This sample uses the formula for calculating the number of indicators multiplied by 5 to 10 (Hair, J. F., Ringle, C. M., & Sarstedt, 2011). The sample used is 100 respondents.

Data analysis method
The method used in analysing the data in this study is a quantitative data analysis technique. Quantitative data analysis is a method with numbers that can be counted or measured. By using a data processing program or data software, namely SPLS in this study. This study uses hypothesis testing as a tool to find out whether the independent variables have an effect or not on the dependent variable.

1) Measurement Model (Outer Model)
The Outer Model is used to validate constructs and instruments. The purpose of the outer model test is to specify the link between latent variables and their indicators. The PLS Algorithm technique is used in this outer model test. Validity and reliability testing are used to assess the outer model's analysis phase.
   a. Validity test
   The validity test in this study has the meaning as a measuring tool that measures a measure (determination and accuracy) of a variable. This validity test uses person correlation analysis where if the total of the analysis shows a value of <0.05 then the data is said to be invalid. The research results can be seen in Figure 4.3 as follows:
   b. Reliability Test
   Reliability has the same meaning as validity, namely as a measuring tool that measures a measure (trusted and relied upon). To test the level of reliability of data on a questionnaire item, indicators are used to show its value, namely Cronbach's Alpha. More than 0, 60.

2) Structural Model (Inner Model)
The structural model in PLS is evaluated using R² for the dependent construct, path coefficient values, or t-values for each path to examine the importance of constructs in the structural model. The inner model, also known as the structural model, defines the causal link between latent variables that is based on theoretical content (Abdillah, 2015).
   PLS analysis, the level of variance in the independent variable changes to the dependent variable is measured by the value of R². If the R² value increases, it indicates that the proposed research model is improving; conversely, if the calculated R² value decreases (gets closer to zero), it indicates that the contribution of the independent variable to the dependent variable is decreasing, and the model used is weaker when using variations of the dependent variable. Using path coefficient values or t-values to illustrate the level of importance in hypothesis testing, the path coefficient values show the level of significance. The
path coefficient score is indicated by the T-statistic value ≥ 1.96, so the alternative hypothesis can be declared supported (Abdillah, 2015)

**R-Square**

The proportion of the fluctuation in the value of the affected (endogenous) variable that can be explained by the influencing (exogenous) variable is measured by R-Square. This can be used to forecast if the model is good or terrible. The R-Square criteria are as follows: (1) if the adjusted value is 0.75, the model is considerable (strong), (2) if the adjusted value is 0.50, the model is moderate (moderate), and (3) if the adjusted value is 0.25, the model is weak (poor) (Juliandi, 2018).

**Hypothesis testing**

In this study, the T-statistic value was utilized to evaluate the hypothesis for each path of partial direct influence. The graphic below depicts the path diagram for hypothesis testing.

**RESEARCH RESULT**

*Descriptive Analysis*

According to the findings of the analysis, the X1.3 indicator has the largest mean value among the other indicators, namely 4.38. Stated that the Kosenda Hotel Corridor has wall paintings that tell the story of Jakarta's history and culture.

Based on the findings of the investigation, the Y1.1 indicator has the largest mean value among the other indicators, namely 4.64. Stated that the location of the Kosenda Hotel was very strategic and close to the National Museum. Overall, the visiting guests were still dissatisfied with the food and drinks at the WAHA cafe, because it had the lowest score of 4.5.
Figure 3. Interest Measurement Model Analysis (Outer Model) Validity

The validity test in this study has the meaning as a measuring tool that measures a measure (determination and accuracy) of a variable. This validity test uses person correlation analysis where if the total of the analysis shows a value of < 0.5 then the data is said to be invalid. The results of the validity test before the drop can be seen in Figure 3.

Based on the factor loading above, there is still a loading factor with a value less than 0.5. Because it has a low convergent validity value, question items with loading factors less than 0.5 must be deleted, according to the outcome. Above the loading indicator is below 0.5, namely X1.1, X1.9, X1.10, Y10, so that the indicator must be dropped. For more details, Table 1 below describes the loading factors and T-statistic values for each indicator.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Item</th>
<th>Person correlation</th>
<th>Validity Level</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creative</td>
<td>X1.1</td>
<td>0.377</td>
<td>0.5</td>
<td>Invalid</td>
</tr>
<tr>
<td>Economy (X1)</td>
<td>X1.2</td>
<td>0.889</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.3</td>
<td>0.715</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.4</td>
<td>0.882</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.5</td>
<td>0.725</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.6</td>
<td>0.508</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.7</td>
<td>0.617</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.8</td>
<td>0.637</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X1.9</td>
<td>0.334</td>
<td>0.5</td>
<td>Invalid</td>
</tr>
<tr>
<td></td>
<td>X1.10</td>
<td>0.094</td>
<td>0.5</td>
<td>Invalid</td>
</tr>
<tr>
<td>Interest</td>
<td>Y1</td>
<td>0.814</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>(Y)</td>
<td>Y2</td>
<td>0.747</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y3</td>
<td>0.707</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y4</td>
<td>0.862</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y5</td>
<td>0.766</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y6</td>
<td>0.834</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y7</td>
<td>0.712</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y8</td>
<td>0.742</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y9</td>
<td>0.711</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y10</td>
<td>-0.105</td>
<td>0.5</td>
<td>Invalid</td>
</tr>
</tbody>
</table>

According to the output in the diagram above, factor loading for the second order already fulfills convergent validity, which means that the indicator values are all more than 0.5 and significant at the 5% level. Figure 4 depicts the results of the validity test after it was dropped.

Figure 4. Path & Loading Factor Diagram of Research Variables After Drop

**Reliability**

Reliability has the same meaning as validity, namely as a measuring tool that measures a measure (trusted and relied upon). To test the level of reliability
of data on a questionnaire item, indicators are used to show its value, namely Cronbach’s Alpha. More than 0, 60.

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Tingkat Cronbach’s Alpha</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Creative Economy</td>
<td>0.846</td>
<td>0.60</td>
<td>Reliabel</td>
</tr>
<tr>
<td>2.</td>
<td>Interest</td>
<td>0.913</td>
<td>0.60</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

Based on Table 2 above, it is known that the results of the reliability test show that all creative economy variables and interest power are reliable or can be trusted to use variable measuring instruments because Cronbach alpha > 0.60.

**Measurement Model Analysis (Inner Model)**

**Godness of Fit Model**

The value of $R^2$ becomes the basis in the analysis, give t the results of the analysis in table 3.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creative Economy</td>
<td>0.846*</td>
<td>0.860</td>
<td>0.840</td>
</tr>
<tr>
<td>Interest</td>
<td>0.730*</td>
<td>0.736</td>
<td>0.740</td>
</tr>
</tbody>
</table>

The $R$-square value of the Creative Economy variable is 0.860 or in other words the Creative Economy variable can be influenced by the interest power variable by 86%. Variables that influence the creative economy include product design, paintings that tell stories about history, and the creations of batik kimono designs that are provided are very interesting. The remaining 14% is influenced by other factors outside the model. The $R$-square value of the interest power variable is 0.736 or 73.6% interest power is influenced by the variables in the model. These variables include supporting arts such as fine art and painting, interior architectural values with various cultures, positive reputation, staycation with family. The remaining 26.4% is influenced by other factors outside.

**Hypothesis Test**

Testing the hypothesis based on the path diagram, not all indicators for each variable have a t-statistic value greater than 1.96 (t-table). To test the relationship between variables (hypothesis testing), the t-statistic value from the output is used compared to the t-table value. The following is table 4 which explains the results of the analysis of the coefficient of determination of the research variables.
Table 4. Path Coefficients (Parameter Coefficients, T-Statistics, P-Values)

<table>
<thead>
<tr>
<th>Relations Between Variables</th>
<th>Parameter Coefficients</th>
<th>T-Statistics</th>
<th>P-Values</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creative Economy</td>
<td>&gt; 0.769</td>
<td>16.479</td>
<td>0.000</td>
<td>Significant ***</td>
</tr>
</tbody>
</table>

Note: *** Significant at α 1%, ** Significant at α 5%, * Significant at α 10%

Information:

The beta coefficient for the creative economy variable is 0.769, which means that if the development of the creative economy the interest of guests will increase.

Where Y is interest and X is creative economy.

The path parameter coefficient obtained from the influence of the creative economy on interest is 0.769 with a t-statistic value of 16.479 > 1.96 at a significant level = 0.05 (5%) stating that the creative economy has a positive effect on interest. The parameter coefficient value of 0.769 indicates that the better the creative economy is developed, the larger the interest of hotel guests.

The findings of this study corroborate the viable hypothesis.

DISCUSSION

The results of the study show that the creative economy has a significant impact on increasing the interest in visiting hotel guests. region, this is in accordance with research Palupi et al. (2021), Ihani, W et.al (2020), Pratomo, S., et.al (2021). The findings of this study are consistent with prior research findings, which suggest a favorable and significant association between the tourism sector and economic growth Yakup A (2019), Wibowo, S., et.al (2017), regarding the influence of the tourism sector on economic growth. The findings indicate that the creative economy benefits tourism and economic growth. This study explicitly ties characteristics in the creative economy to an interest in enhancing economic growth.

CONCLUSIONS AND RECOMMENDATIONS

The creative economy has a significant positive effect on increasing the interest of hotel guests, especially on the product design indicators provided which are very attractive, have a unique hotel character interior design with traditional designs, provide traditional batik designed kimonos, traditional batik sandals made of patchwork textile factories. Increase in the number of guests visiting the last two years is 52 % (2021) and increase 61% (2022).

Hotel management must increase the variety of food, so that testimonials from visitors/hotel guests spread quickly so as to increase revenue at Hotel Kosenda. Increased promotion with creative economic activities needs to be developed, especially in the culinary field, increasing local wisdom culture (such as the Lenggang none dance, Japit Betawi), creation and innovation of Instagram-
able interior designs. The development of the creative economy of business actors needs to be increased to contribute to the Gross Domestic Product and employment in all of Indonesia.

ADVANCED RESEARCH
The limitation of this research is only to examine the creative economy variable on interest power. Further research is needed that has not been studied in this study, namely the creative economy with music indicators, educational interactive games, and performing arts.

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