

THE EFFECTIVENESS OF REGULATORY SOCIALIZATION IN SUPPORTING THE USE OF MSME PRODUCTS AS HOTEL AMENITIES AND ITS IMPACT ON GUEST TRUST

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Abstract

This research explores the effectiveness of regulatory socialization in supporting the use of MSMEs natural cosmetic and medicinal products as hotel amenities, as well as its impact on guest trust. The survey results of hotel industry players indicate that the adoption of MSME products is still low, with the main obstacles being a lack of understanding of regulations and product costs. This study concludes that increasing business and regulatory literacy through integrated programs and providing certified e-catalogs of products can enhance the competitiveness of MSMEs and strengthen Indonesia's image as a wellness tourism destination. This research provides an innovative contribution to the empowerment strategies of MSMEs in the hotel and tourism industry.

Keywords: *Guest Trust, Hotel Amenities, MSMEs, Regulatory Socialization*

Abstrak

Penelitian ini mengeksplorasi efektivitas sosialisasi regulasi dalam mendukung penggunaan produk kosmetik dan obat alami UMKM sebagai amenitas hotel, serta dampaknya terhadap kepercayaan tamu. Hasil survei terhadap para pelaku industri perhotelan menunjukkan bahwa adopsi produk UMKM masih rendah, dengan hambatan utama berupa kurangnya pemahaman terhadap regulasi dan biaya produk. Studi ini menyimpulkan bahwa peningkatan literasi bisnis dan regulasi melalui program terpadu serta penyediaan e-katalog produk bersertifikasi dapat meningkatkan daya saing UMKM dan memperkuat citra Indonesia sebagai destinasi wisata kesehatan. Penelitian ini memberikan kontribusi inovatif terhadap strategi pemberdayaan UMKM dalam industri perhotelan dan pariwisata.

Kata kunci: Kepercayaan Tamu, Amenitas Hotel, UMKM, Sosialisasi Regulasi



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INTRODUCTION

Indonesia has great potential in developing the wellness tourism sector due to its rich natural resources and local culture rich in traditional health practices. The COVID-19 pandemic has raised public awareness of the importance of health, cleanliness, and safety in daily life, which has also driven global growth in wellness tourism. According to the Global Wellness Institute (2023), the wellness tourism sector has grown from USD 4.9 trillion in 2019 to USD 5.6 trillion in 2022, with a growth of over 14% (Central Statistics Agency, 2022). This growth creates opportunities for Indonesia to become an attractive wellness tourism destination by optimizing natural wellness products such as herbal medicine, natural cosmetics, and locally based aromatherapy.

On the other hand, the development of Indonesian MSMEs as producers of wellness products faces challenges related to safety regulations, market access, and competition with better standardized imported products (Kusnadi & Santoso, 2021; Dewi, 2020). Hotels and restaurants, as part of the hospitality sector, play a crucial role in facilitating wellness tourism in Indonesia. The implementation of MSME wellness products in hotels can add value to guests, contributing to the positive image of hotel services (Haryanto, 2021). However, the low understanding of hotel industry players regarding the regulations on the use of MSME wellness products poses challenges in integrating these products as amenities and affects the level of guest trust (Hendri, 2020; Prasetyo, 2021).

Some previous studies have shown the importance of regulations as a form of consumer protection as well as a factor that can increase guest trust and loyalty towards hotels (Sari, 2021; Suharto, 2022). However, these studies tend to focus on formal regulations and have not touched on the aspect of regulatory socialization and its impact on the adoption of MSMEs wellness products in the hospitality sector. Therefore, there is a research gap in understanding how regulatory socialization can strengthen the understanding of the hotel industry and increase market access for MSME products.

In an effort to bridge this gap, the Indonesian Food and Drug Authority (BPOM) has initiated the program "Regulatory

Socialization in Supporting the Use of MSMEs Products." This program aims to support the enhancement of capacity and business literacy of MSMEs through curated products that meet standards, as well as providing an e-catalog that facilitates hotels in accessing safe and quality wellness products. Furthermore, this program aims to provide education on relevant regulations to ensure that the wellness products used by hotels meet the safety standards expected by consumers and the industry (Rahman, 2022; Widiastuti, 2022).

This research aims to evaluate the effectiveness of the regulatory socialization conducted in supporting the understanding of hotel industry players regarding the safety of MSME wellness products. Additionally, this research will also examine the impact of using MSME products as amenities on guest trust, and identify the challenges and opportunities faced by MSMEs in meeting regulatory requirements. Thus, this research is expected to provide new insights in the context of cross-sector collaboration and more inclusive empowerment strategies for MSMEs, especially in the growing wellness tourism sector in Indonesia.

METHOD

This research uses a descriptive survey method with a quantitative approach through the distribution of questionnaires to socialization participants. This survey is designed to measure the understanding of hotel industry players about existing regulations, the effectiveness of socialization they receive, and their perception of guest trust in MSME products as amenities (Fadli, 2022). The number of sample population given questionnaires was 15 respondents from hotel executives with closed-ended questions. Analysis was done using Microsoft Excel to see simple correlations or regressions to evaluate the relationship between the effectiveness of regulatory socialization and guest trust.

RESULT AND DISCUSSION

Regulatory socialization refers to the process in which individuals or organizations learn and adapt to the norms, rules, and regulations existing in a specific social context. In the context of Micro, Small, and Medium Enterprises (MSMEs), regulatory socialization

can function to promote the use of local products as hotel facilities. Research by Damanhuri (2020) shows that hotels using MSME products not only support the local economy but also enhance their image in the eyes of consumers.

According to a report issued by the Ministry of Cooperatives and SMEs of the Republic of Indonesia, MSMEs' contribution to the Gross Domestic Product (GDP) reached 61.07% in 2021, indicating significant potential that can be utilized by the hospitality industry (Ministry of Cooperatives and SMEs, 2021). Another study by Prasetyo and Hidayah (2021) shows that consumers are increasingly aware of the importance of sustainability and support for local products. They tend to prefer hotels that promote MSME products, which in turn increases guest trust. In a survey conducted by Nielsen (2020), 73% of global consumers stated that they are willing to pay more for sustainable products. This indicates a significant relationship between the use of MSME products as hotel facilities and guest trust, further strengthened by regulatory socialization.

From the survey data displayed in the first graph regarding the familiarity level with regulations on the use of MSME natural cosmetic and medicinal products as hotel amenities, it is evident that most respondents show a low understanding of these regulations, with the majority of respondents falling into the "not very familiar" category. This confirms that the understanding of regulations on natural cosmetic and medicinal products from MSMEs remains a major challenge for players in the hotel industry. Consistent with Hendri's statement (2020), a lack of understanding of regulations often impacts the implementation of maximum safety standards in hotel operations. This low level of familiarity also hinders the government's efforts to promote local products that meet safety standards and can strengthen guest trust.

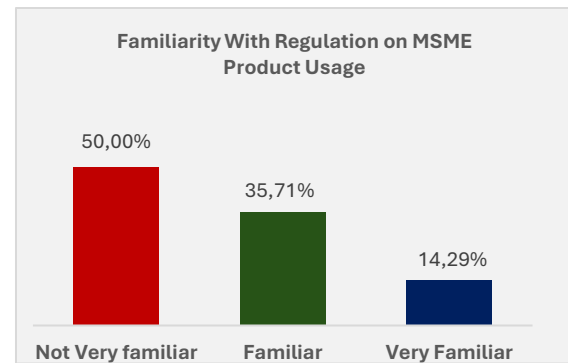


Figure 1. Familiarity With Regulation on MSME Product Usage

The first figure indicates that there is still work to be done in improving understanding of regulations on MSME products in the hotel sector. Intensive socialization and education efforts are needed to ensure that hotel industry players truly understand the importance of complying with these regulations.

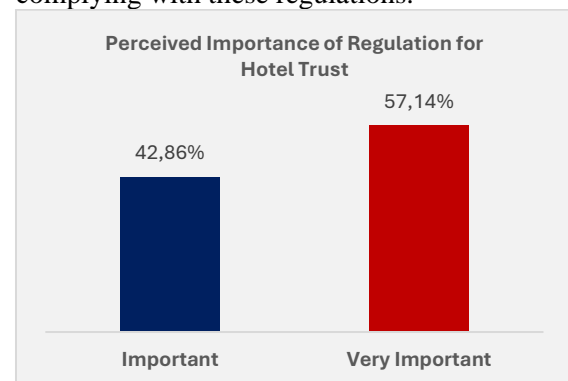


Figure 2. The importance of regulations in creating a safe and comfortable environment for hotel guests.

Through the second figure illustrating the importance of regulations in maintaining guest trust, the majority of respondents consider these regulations to be a very important element. This finding is in line with Dewi's research (2020), stating that safe and standard compliant local products have a positive impact on guest experiences at hotels and help build their loyalty. In other words, regulations are not just administrative formalities but also an effective means of strengthening customer trust, especially in the context of wellness tourism where product quality and safety are highly valued. The specific program "Regulatory Socialization in Supporting the Use of MSME Products as Hotel Amenities and Its Impact on Guest Trust" targets the increase in capacity and understanding of MSME players regarding these safety standards, to produce more

competitive and high-value products. With a clear understanding of regulations on MSME products, the hotel sector can more easily meet customer demands and enhance their trust in the services provided.

The fifth figure implies that there is still work to be done in addressing the challenges faced in implementing MSME product regulations. Concrete steps are needed to ensure that all hotel industry players have the same understanding of regulations and are ready to adopt MSME products as amenities.

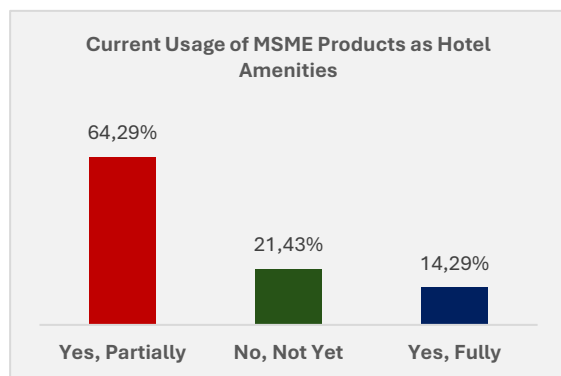


Figure 3. Usage status of MSME Products as Hotel Amenities

Additionally, the third graph on the status of using MSME products as amenities shows that most hotels have not fully adopted MSME products as facilities for their guests, with the categories "Yes, partially" and "No, not yet" dominating respondent answers. This indicates untapped potential in the hotel sector to utilize safe and quality local products.

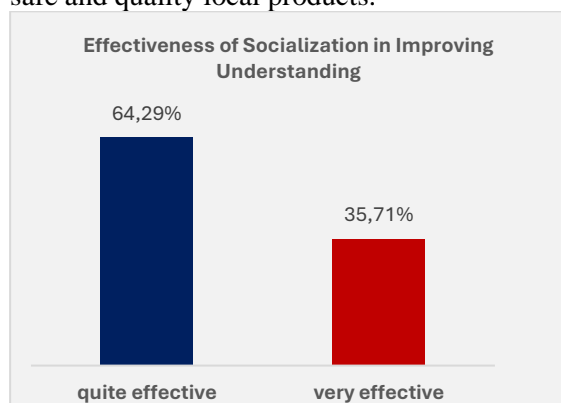


Figure 4. Effectiveness of Socialization in Improving Understanding

One of the reasons for this limited adoption, as shown in the fourth figure and supported by Prasetyo's research (2021), is the ineffective socialization leading to uneven

understanding among hotel industry players. Suboptimal socialization effectiveness reinforces the need for a more structured approach to improving regulatory literacy among business players so that MSME products are accepted and adopted as safe hotel amenities. The third figure also provides a clear picture of the challenges faced in expanding the use of MSME products in the hotel sector. Concrete steps are needed to increase the adoption of MSME products to add value to hotel guests and enhance the overall competitiveness of the hotel industry.

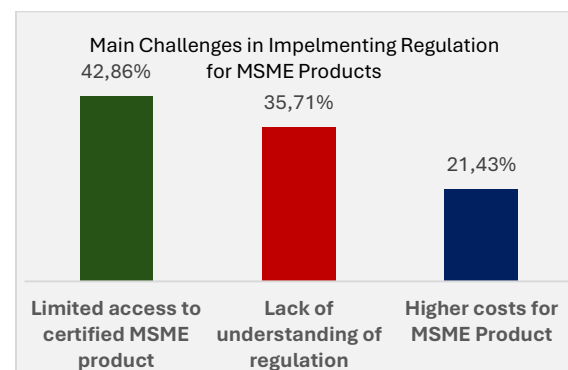


Figure 5. Challanges of implementation regulation

Regarding the fifth figure, the biggest obstacles encountered in the implementation of regulations are a lack of understanding of regulations and higher costs of MSME products. These two factors need to be addressed seriously to ensure that MSME products are easily accessible and used by hotels across Indonesia. With wider adoption of quality local products, the hotel sector can make a greater contribution to promoting MSME products and supporting local economic growth.

Based on the above analysis, innovative recommendations that can be given are the development of a more comprehensive education and business literacy program for MSMEs and hotel players. This program can include providing training on regulations and quality management, accompanying competitive pricing strategies, and providing certified e-catalogs of MSME products that are easily accessible to hotels. This initiative not only helps overcome cost and regulation understanding barriers but also provides added value in the form of transparency for consumers. With regularly curated e-catalogs

by BPOM, hotels can more easily choose MSME products that meet standards and improve their service quality in the wellness tourism sector. This cross-sector approach, involving BPOM, the Ministry of Tourism and Creative Economy, and hotel associations, creates a conducive ecosystem for the growth of MSMEs and the use of local products that support Indonesia's branding as a sustainable and high-quality wellness tourism destination.

At the opening of the socialization event, the Deputy for Traditional Medicine, Health Supplements, and Cosmetics emphasized the importance of this event as an effort to increase awareness and understanding of product safety standards and to build a strong foundation for cross-sector collaboration in supporting the development of safe MSME products, thus enhancing the competitiveness of local products in the tourism market and supporting Indonesia's positioning as a trusted wellness tourism destination, as shown in Figure 6.



Figure 6. Opening Activity

Figure 7 shows the atmosphere of training relevant to the socialization program of regulations on MSME natural cosmetic and medicinal products to be used as hotel amenities. Participants consisting of various stakeholders, such as MSME players, hotel managers, and representatives from relevant agencies, demonstrate cross-sector collaboration in supporting the implementation of MSME products in the hospitality industry.

The above explanation provides a deep understanding of the challenges and opportunities in integrating MSME products in the hospitality industry, and offers innovative cross-sector collaboration based recommendations.



Figure 7. Regulatory Socialization Atmosphere

CONCLUSION

Regulatory socialization helps hotels increase the use of MSME products. Challenges such as quality and negative perceptions need to be overcome with the right strategies. Hotels can utilize the potential of MSME products through strong partnerships, training, and effective marketing. Integrating MSME products in hotel services can gain the trust of guests and support local economic growth. Collaboration among stakeholders is important to support the use of MSME products in the hospitality industry.

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