

Conference Paper

Promoting Indonesia as a Wellness Tourism Destination

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Abstract

Wellness tourism is one of the fastest-growing forms of international and domestic tourism. This trend is unlikely to change in the coming 5 or 10 years. Wellness tourism is a new and developing tourism sector in Indonesia. Indonesia is not a popular wellness tourism destination and the government is starting to consider promoting and marketing this sector. The article aims to verify Indonesia as a potential wellness tourism destination. It is based on the research that explored the wellness tourism concept as well as wellness tourism development and trends. It provides some insights and highlights some of the key challenges for promoting Indonesia as a wellness tourism destination. The research included a review of historical and current literature, data, and global research reports. Invited respondents participating for the primary data collection included both domestic and international tourists as well as relevant stakeholders or key players for wellness tourism. Design Thinking methodology was used for data analysis of this applied research. The article concludes with some implications and recommendations for wellness tourism industry in Indonesia in order to capitalize on its business opportunities.

Keywords: wellness tourism, destination, design thinking, business opportunities

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1. Introduction

Travel and tourism industry plays an important role in business development and continues to make vital contributions to the economic strength and social development of the world. In the past decades it contributes over 10% to global GDP and accounts for 1 in 10 jobs on the planet. Medical and wellness tourism is recognized as one of the most developed sectors of today's thriving tourism industry that has increased its activity worldwide. In many countries, medical and wellness tourism is one of the fastest growing segments of the global tourism market. The 2017 Global Wellness Tourism Economy Report stated that health tourism is a near half-trillion dollar market, representing 14% of total global tourism revenues (\$3.2 trillion) overall and is projected to grow on average 9.9% annually over the next five years.

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Wellness tourism has become a travel trend in recent years and is becoming an emerging market segment in some countries. While medical tourists seek solely treatments for medical purposes, wellness tourism is assumed to be pursued by healthy people who care much about their health and seek physical fitness or improvement, spiritual balance, and cultural as well as relaxation experiences.

Wellness tourism is a relatively new concept in Indonesia and the idea is still often confused or used interchangeably with medical tourism or health tourism. Indonesia has numerous ancient healing remedy traditions and other traditional wellness-related services. The Indonesian government has started considering developing and promoting wellness tourism but most of the efforts are concentrated in only promoting spa tourism. Euromonitor International reported that there were 2.5 million spa tourist arrivals in Indonesia in 2009. Wellness tourism is a niche market segment within the global travel and tourism industry and offers countless opportunities in product development and the future markets. Given the competitive and comparative advantages, Indonesia is a potential market for domestic and international wellness tourists. In fact, Indonesia is not a popular wellness tourism destination. Very few studies have been done on this industry; and wellness tourism, therefore, remains a little researched topic.

2. Literature Review

Indonesia is located on the equator between Asia and Australia continents and between the Pacific and Indian Oceans. Indonesia consists of over 17,500 islands and becomes the largest archipelago country in the world. With over 260 million people, it is the world's fourth most populous country. Indonesia's terrain is mainly coastal lowland with mountains on some of the larger islands. The tropical environment of the country has made Indonesia abound in plants/trees with healing and medicinal properties.

2.1. Wellness tourism

Myers et al. (2000) defines 'wellness' as being a way of life oriented toward optimal health and well-being in which the body, mind, and spirit are integrated by the individual to live more fully within the human and natural community. According to The World Wellness Organization, 'wellness' is a kind of tourism aimed at maintaining and

enhancing one's body-mind-spirit condition. Consistent with the World Health Organization's definition of 'health', this study defines 'wellness' as a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity. It is, therefore, an approach to healthcare that emphasizes preventing illness and prolonging life, as opposed to emphasizing treating diseases.

The wellness tourism market includes two types of wellness tourists: primary and secondary wellness tourists. Motivation is key to understanding wellness tourism. While primary wellness tourists are those for whom 'wellbeing' is the sole purpose or primary motivating factor for the trip and destination choice, secondary wellness tourists are those who seek to maintain a healthy lifestyle or participate in wellness experiences while taking any type of trip.

The emerging global middle class; rising disposable incomes; and growing consumer interest in health, travel, and new experiences are all fueling strong demand – propelling wellness tourism into a \$563.2 billion global market in 2015. The bulk of wellness tourism is done by secondary wellness tourists, which account for 89% of wellness tourism trips and have been growing faster than primary wellness trips since 2013. Most wellness tourism is done by domestic tourists (both primary and secondary), driven by short-haul and weekend trips, and accounting for 83% of all wellness trips. However, international wellness tourism growth has outpaced domestic wellness tourism growth from 2013–2015.

The 2017 Global Wellness Economy Monitor reported that travelers made 691.0 million wellness trips in 2015, which is 104.4 million more trips than in 2013. The interesting thing is that wellness trips accounted for 6.5% of all tourism trips, but represented 15.6% of total tourism expenditures. The fact is that wellness travelers tend to spend much more per trip than non-wellness travelers. The report also revealed that the number of non-wellness tourism trips in 2015 was 9.9 billion (93%) representing US\$ 3.1 trillion expenditures (89%) and there were 691 million wellness tourism trips (7%) representing US\$ 563 billion expenditures (16%). Spa was a core business within wellness tourism and represented about 41% of wellness tourism expenditures.

Although the perception persists that wellness tourism is visiting spas, it actually involves much broader activities. Wellness tourists are likely to look for quality local food, vibrant cultural offer, authentic local experiences, premium accommodation, soft adventure activities and mind or body classes. A high quality natural setting is the most important consideration for most wellness tourists in deciding on a wellness destination.

Since 2013, Asia has made the most gains in both the number of wellness trips and wellness tourism expenditures, continuing a trend that is triggered by a rising middle class, increasing intra-Asia tourism, and a growing consumer interest in wellness. While most of the top markets have continued to grow, many emerging markets have climbed steadily in the rankings, including China, Vietnam, Malaysia and Indonesia.

2.2. Emerging market: Indonesia

The number of international tourist arrivals in Indonesia in 2017 was 10,406,759 generating revenues of US\$ 10,761 million. The 2017 Global Wellness Economy Monitor (GWEM) 2017 reported that Indonesia entered 17 in Top 20 Wellness Tourism Market 2015 (wellness expenditures amounting to US\$ 5.3 billion, with 5.6 million wellness tourism trips and direct employment of 0.52 million). Based on the number of wellness trips, the average annual growth rate for 2013–2015 was 18.7%. In 2015 the market size of wellness tourism amounted to US\$ 563.2 billion and the projected market size in 2020 is US\$ 808.0 billion (with average annual growth rate of 7.5% for the period 2015–2020). Furthermore, it was reported that Indonesia entered 17 in Top 20 Spa Markets 2015 (with number of spas 2,070; spa facility employment of 60,682, generating spa facility revenues of US\$ 0.92 billion).

Wellness tourism is a new and developing tourism sector in Indonesia. Many people are still of the opinion that wellness tourism is similar to medical tourism or health tourism. The Indonesian government's effort to develop wellness tourism has been concentrated specifically on promoting spa tourism. Indonesia is one of Asia's popular spa tourism markets. 2011 Euromonitor International reported that there were 2.5 million international spa tourism arrivals in 2009.

Spa and wellness is rooted deeply in the Indonesian tradition. It has evolved from a mixture of the Hindu, Buddhism, and Muslim cultures over thousands of years. Bali has become a leader in luxury spa tourism in Asia and is home to more than 20 of the world's best spas. In 2017, Heavenly Spa by Westin, Nusa Dua, Bali was announced as the Global Winner of Best Luxury Wellness Spa by 2017 World Luxury Spa Awards. Bali's attractions for spa and wellness tourism include its skilled local therapists, abundant local ingredients for spa products, and its natural and breathtaking landscape. Traditional treatments which are used in spas include 'jamu' (Indonesian herbal treatment), 'Balinese Boreh' (traditional herbal scrub), 'Bali Kopi scrub', and the 'Royal Javanese treatment'. Spas are starting to grow in some larger cities like Jakarta, Surabaya, Bandung. Spas are an important part of wellness tourism. Still Indonesia has numerous

other ancient wellness-related offerings such as traditional or nature-based healing therapies, alternative/complementary health practices, traditional beauty care or anti-aging treatment as well as cultural and relaxation programs.

Given all these facts, Indonesia is a potentially appropriate destination for wellness tourism for both domestic and international travelers.

3. Methods

The study is a descriptive research which analyzed the primary and secondary data. Primary data were collected by using questionnaires and through interviews and observations of tourism destinations. As many as 150 respondents were recruited through purposive sampling method. Three different questionnaires were distributed to three different groups of respondents. One type of questionnaire survey was distributed to 50 local/domestic tourists. There were 7 multiple choice questions related to their opinions of Indonesia as a potential destination for wellness tourism; perceived benefits and reasons for choosing a particular wellness tourism destination. Another type of questionnaire was addressed to foreign tourists who were visiting Indonesia. 75 respondents from 29 countries representing Asia, Australia, USA, South America, and Europe took part in the survey as international respondents. There were 15 multiple and Likert-scale questions related to their opinion of Indonesia, perceived benefits of wellness tourism, and activities they are likely to seek for a particular wellness destination. The third type of questionnaire was distributed to tourism-related government offices, hotels, travel agents, tourism associations and other relevant wellness tourism stakeholders. 25 respondents were involved in this group. There were 7 questions asking about perceived challenges and competitive advantages of wellness tourism, perceived reasons for promoting Indonesia as a wellness tourism destination and strategy for promoting Indonesia as a wellness tourism destination. Numerous sources such as Euromonitor International, Research report: Global Spa and Wellness Summit, The Travel & Tourism Competitiveness Report, The Global Wellness Tourism Economy, Travel & Tourism Economic Impact and Biro Pusat Statistik (Central Office of Statistics) were used for secondary data.

This applied research adopted Design Thinking approach for the data analysis. Design Thinking can be described as a methodology that uses the designer's sensibility and methods to match people's needs with what is technologically feasible and what a viable business strategy can convert into customer values and market opportunities (Tim Brown, CEO of IDEO). Design thinking process is a strategy which involves 5 stages

– Empathize, Define, Ideate, Prototype, and Test. The first stage Empathize focuses on gathering information in order to understand the problems and needs or develop a deep understanding of the challenge. During the Define stage, the focus is analyzing the collected data, synthesizing them and later defining the core problems. In Ideate stage, we brainstorm potential solutions and then develop or select the solutions. Prototyping brings the solutions into vision. This is an experimental phase, and the aim is to identify the best possible solution for each of the problems identified during the first three stages. The last stage is Testing the prototype in order to monitor the response and deem whether the solution is appropriate. By using design thinking, decisions are made based on what future customers really want instead of relying only on historical data or making risky bets based on instinct instead of evidence.

3.1. Data analysis and results

All the submitted questionnaires were carefully checked and analyzed and only 120 were considered valid and reliable. The results of the survey reveal the following findings. Only 55% of the local domestic tourists (respondents) are familiar with wellness tourism concept and their favorite wellness tourism destinations are Singapore (38%), China (22%), Thailand and Malaysia (14%). Most of the international respondents (91%) are familiar with wellness tourism concept but Indonesia is not a popular wellness destination for them. The majority (80%) recognize that Bali is a well-known spot for spa but only 63% have heard much about Indonesia. Respondents representing tourism-related government offices, and wellness tourism associations agree that wellness tourism industry is important but only 54% know and understand the wellness concept clearly. Table 1 shows perceived benefits of wellness travel for domestic and international respondents. 70% of the respondents expected that a wellness destination offer spa and herbal treatment services.

TABLE 1: Perceived benefits of wellness tourism.

	Perceived Benefits
70%	Spa
70%	Herbal treatments
62%	Massage
56%	Hot (mineral) spring
56%	Alternative healing
48%	Fitness/gym
40%	Spiritual retreat
34%	Cosmetics/beauty care

In fact 87% of the respondents are of the opinion that Indonesia is a potential wellness tourism destination and therefore hold a positive attitude toward the development of Indonesia as a wellness destination. Table 2 shows elements which respondents deem essential for achieving competitive positioning in wellness tourism in the global market. Most respondents stated that infrastructure (75%) and product quality/experiences (71%) are two bare essentials when considering wellness destination

TABLE 2: Perceived elements for competitive positioning.

Elements	
75%	Infrastructure readiness
71%	Product quality and experiences offered
33%	Government support (e.g., visa exemption)
33%	Safety and political stability
33%	Promotion
31%	Competent and English-speaking staff/professionals

4. Discussion

Survey reveals that current wellness tourists tend to be wealthy, educated and middle-aged (baby boomers) but this demographic may change rapidly. From marketing perspectives, the most important thing is understanding the behavior, needs and preferences of wellness tourists and thus it is essential to consider designing products and services which generate benefits to suit their expectations. What they particularly seek is exotic destinations with immersion in unique indigenous cultural experiences. They seek a destination with packaged attractions which offer something local to the destination. Wellness trends include wellness on arrival, healthy living and healthy food, mindful living, stress reduction, rejuvenation and relaxation.

Spa and wellness is rooted deeply in the Indonesian tradition. Traditional herbal medicine, spiritual meditation, massage and other healing arts are the foundation of Indonesia's celebrated spas. Indonesia's riches in herbs and spices, local wisdom and cultural heritage have made traditional spas one of the businesses with the most potential in the nation. Consumer demand for wellness travel is quite strong. The demand for spa treatments in the country is increasing from year to year as more people feel the need to ease pressure from work. It is advisable that the development and promotion of spa tourism should not be concentrated in only a few regions (Bali, Jakarta, Bandung) but expanded to other cities such as Surabaya, Yogyakarta, Medan, Makasar, Manado and Lombok, making them all potential wellness destinations.

Strategy development of wellness tourism industry in Indonesia should include the need for the strengthening of policy instruments and the regulatory system of tourism in the utilization and development of the tourism industry; therefore strong and highly coordinated public-private sector collaboration or partnership is absolutely essential. Types of government support vary. For example, the government can support the infrastructure improvements in roads, transport that facilitate access to tourists destination, and information technology. The government can also help in the promotion of a country through visa facilitation, trade fairs organization and participation and marketing efforts. Besides, there are other government policies that may support the wellness travel.

While the majority of the respondents demonstrated positive attitude toward the development of Indonesia as a wellness destination, wellness tourism planning is vital to multiply the positive effects of the industry. Table 3 presents some essential factors which affect destination competitiveness for wellness destination in national and international markets.

TABLE 3: Key factors affecting destination competitiveness.

Destination image (visitors' perceptions of destination quality)
Psychological distance (perceived distance between destination and visitors)
Comparative advantage (human resources, their skills and experience)
Competitive advantage (efficiency, added value, products and experiences offered)
Destination management (marketing and promotion, visitor management, crisis management)
Core resources and attractions (culture, climate, entertainment, special events)
Support factors and resources (infrastructure readiness, safety and political stability)
Source: The Competitive Destination 2003 (with a few modifications).

In 2012 Indonesia's former Minister of Tourism and Creative Economy and former Minister of Health signed an agreement for cooperation in developing the country's health tourism sector. Four areas, Bali, Jakarta, Makassar and Manado, are opted as potential destinations for developing health/wellness tourism in Indonesia. To ensure the long-term success of a tourism destination, it is essential to build and maintain a high level of competitiveness in the markets that best matches the resources the destination is able to offer. Accordingly, the study suggests the following prototype.

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- Encourage a strategic business alliance and impactful engagement of governments, both local and central governments, and relevant key players in wellness tourism or stakeholders across various competitiveness pillars.
 - Focus on and promote what we are really good at (both competitive and comparative advantages) emphasizing authentic, location-based and signature offerings which draw directly from natural assets and local traditions (e.g. Indonesian herbal treatment 'jamu', Royal Javanese treatment, or traditional herbal scrub Balinese Boreh)
 - Build integrated packages that cater to both domestic and international tourists who want to 'change their lives' on holiday. Consider providing more eco-friendly, organic, natural and locally-sourced products or treatments
 - Improve the data collection system for wellness tourism and continue to support the development of scientific evidence based wellness modalities.

5. Conclusion

Wellness tourism is a relatively new niche segment within the global travel and tourism industry but it is a growing trend and has countless opportunities in product development. A lot of factors such as unhealthy lifestyles, health issues (increasingly fast pace of living and high-level stress), or failing medical systems with rising costs have made people more health-conscious: seeking for healthier or more well-balanced lives; thereby searching for a better meaning in life to increase their wellness or well-being. People's concern for their health and well-being has led to this rapidly-growing wellness industry. The boundary between wellness tourism and medical tourism is not that clear as the two share some similarities. There are big differences between the two concepts, yet both are often used interchangeably in Indonesia. Although wellness tourism industry is still in its infancy in Indonesia, through appropriate supports from all relevant stakeholders, Indonesia could try to boast its differential advantages and engage in product positioning strategies through promotion and product development and will grow into a popular wellness tourism destination.

Generally speaking, previous research findings for wellness tourism and overall data availability for this research are sparse. Time constraint and limited fund add up to the main factors which make it hard to ideate comprehensive solutions as well as to test

the potential prototype for the research. Given the small number of respondents, further research is required. Future research study is also necessarily expected to analyze the economic and social implications of the wellness tourism industry in Indonesia.

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