A STRATEGIC ANALYSIS OF DOMESTIC TOURISM MARKET IN INDONESIA

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Abstract

The paper analyzes the current profiles and potentials of domestic tourism market in Indonesia including its market magnitude, demographic profile, and some psychographic and behavioral aspects (age, educational background, distance of travel, spending level, motivation to travel, and length of stay). Data were obtained from Socio-economic Survey (Survei Sosial Ekonomi Nasional/SUSENAS) conducted by Indonesia Central Board of Statistics, Statistics on Domestic Tourists Profile (Statistik Profil Wisatawan Nusantara) by Indonesia Ministry of Tourism, Tourism Satellite Account (NESPARNAS) by Indonesia Ministry of Tourism, and other demographic data provided by Indonesia Central Board of Statistics. Those data were cross-sectional analyzed to offer insights on the domestic tourism market profile in Indonesia. The analyses conclude that majority (60%) of domestic tourism market in Indonesia (out of the about 250 millions travels of Indonesian people) occurred within Java island, were mostly occurred within one's province (short-distance travels), were mostly motivated by Visiting-Friends-and-Relatives (VFR) and with relatively low spending. There are strategies and recommendations formulated to stimulate further growth and competitiveness of domestic tourism market in Indonesia, such as, to provide incentives to travel outside one's province, to vary motives to travel, and to increase spending and length of stay of domestic tourists.

Keywords: Domestic Tourist Market, Domestic Tourist Profile, Indonesia

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FOREWORD

We are delighted to welcome you to 14th International Symposium on Management (INSYMA) Tanjung Pinang, Riau, Indonesia. The high quality of the papers and the discussion represent the thinking and experience of researchers, academics and practitioners in the particular fields. Their contributions helped to make the conference as outstanding as it has been.

This proceeding is a compilation of papers submitted for the 14th International Symposium on Management (INSYMA) conducted by the Department of Management, the Faculty of Business and Economics, University of Surabaya (UBAYA) themed "**A BIG PUSH TO WORLD-CLASS TOURISM: STRATEGIC ANALYSIS AND OPPORTUNITIES"**. The conference organizers have put together both the latest research and provide an opportunity to make friendship and new acquaintances.

The 14th INSYMA is a means for participants consisting of researchers, academics and practitioners to have a discussion forum. The event is expected to enable participants in sharing initiatives, ideas and efforts from the results of research and discussion concerning how to create a Big Push in a strategy to deal with all the challenges and find opportunities in the tourism industry of each country to be a world-class tourism.

In this opportunity, we would like to say that we are greatly honored by all presenters and participants' presence both from Indonesia and from other country. We would like to share our grateful to the Sponsorship and partnership in this 14th INSYMA. This theme represents strategic analysis and opportunities of implementation that will extend far beyond the sector, as tourism enhances province's reputation as a premier destination to visit, invest, work–live, and integration with the global community. The strength of tourism destination product will be counted and will continue to find ways how economic integration in tourism sector can achieve the sustainability of: growth of economic, prosperity and welfare to all countries.

Finally, we would like to thank the researchers for their willingness to share their research and ideas. Without their efforts, this proceeding would not possible. The committees and editors deserve special thanks for their outstanding effort in reviewing and preparing the event and manuscripts for publication. We hope that this compilation of papers can enrich our perspective in Tourism strategic analysis and opportunities.

Tanjung Pinang, March 3rd, 2017
Prita Ayu Kusumawardhany
Chairwoman of 14th INSYMA

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A Strategic Analysis of Domestic Tourism Market in Indonesia

By: Ike Janita Dewi and Lucia Kurniawati

Faculty of Economics, Sanata Dharma University Yogyakarta

Abstract

The paper analyzes the current profiles and potentials of domestic tourism market in Indonesia including its market magnitude, demographic profile, and some psychographic and behavioral aspects (age, educational background, distance of travel, spending level, motivation to travel, and length of stay). Data were obtained from Socio-economic Survey (*Survei Sosial Ekonomi Nasional/SUSENAS*) conducted by Indonesia Central Board of Statistics, Statistics on Domestic Tourists Profile (*Statistik Profil Wisatawan Nusantara*) by Indonesia Ministry of Tourism, Tourism Satellite Account (*NESPARNAS)* by Indonesia Ministry of Tourism, and other demographic data provided by Indonesia Central Board of Statistics. Those data were cross-sectional analyzed to offer insights on the domestic tourism market profile in Indonesia.

The analyses conclude that majority (60%) of domestic tourism market in Indonesia (out of the about 250 millions travels of Indonesian people) occurred within Java island, were mostly occurred within one's province (short-distance travels), were mostly motivated by Visiting-Friends-and-Relatives (VFR) and with relatively low spending. There are strategies and recommendations formulated to stimulate further growth and competitiveness of domestic tourism market in Indonesia, such as, to provide incentives to travel outside one's province, to vary motives to travel, and to increase spending and length of stay of domestic tourists.

Keywords: domestic tourist market, domestic tourist profile, Indonesia

Research Background

The paper analyzes the current profiles and potentials of domestic tourism market in Indonesia including its market magnitude, demographic profile, and some psychographic and behavioral aspects. Studies on tourism in Indonesia are significant to conduct due to the importance of the sector. Tourism has been placed at the 4th national priority in the President Joko Widodo era and targeted to achieve several goals in terms of competitiveness, contribution to the economy, and tourist arrivals (see Table 1 for Indonesia Ministry of Tourism's Targets and Table 2 for Targets for Domestic Tourism Market). The numbers as the national targets include both international and domestic tourist in terms of their numbers of arrival (for international tourists) and numbers of travels (for domestic tourists). However, while international tourism market has received a great deal of research, there is limited number of study on domestic tourism market at the national level. Big attention on International tourism market is probably related with the need to stimulate foreign exchange receipts. Domestic tourism market may not result in foreign exchange receipts but does contribute to local economy. Domestic tourists tend to consume local products and buy from local micro and small entrepreneurs (Dewi and Kurniawati, 2006). Domestic tourism market is also less volatile compared to international tourism market in the midst of political, natural disaster, or security issues.

Table 1: National Targets of Tourism Development

	Indicator	2014	2015	2016	2017	2018	2019
MACRO	Contribution to Gross Domestic Bruto						
	- World Tourism Travel Council	9% (IDR946.09 T)	10%	11%	13%	14%	15%
	- Central Board of Statistics	4% (IDR391.40T)	4%	5%	6%	7%	8%
	Foreign Exchange Receipts (Trillion IDR)	140	144	172	182	223	280
	Employment (Millions)	11	11.3	11.7	12.4	12.7	13.0
MICRO	Competitiveness Index	#70	#50	n.a.	#40	n.a.	#30
	Foreign Tourists (number of arrivals, in millions)	9.4	10	12	15	17	20
	Domestic Tourists (number of travels, in millions)	250	255	260	265	270	275

Source: Ministry of Tourism (2016)
(https://web.kominfo.go.id/sites/default/files/Paparan%20Kemenpar%20untuk%20KIDI%202016.pdf)

Table 2: Number of Travels and Spending of Domestic Tourists in Indonesia

Year	Target (000)	Actual Number of Travel (000)	Growth (%)	Average Spending/ Travel (000 IDR)	Total Spending (Trillion IDR)	Growth (%)
2011	237,000	236,752	1.0	679.58	160.89	7.0
2012	245,000	245,290	3.6	704.68	172.85	7.0
2013	250,000	250,036	1.9	711.26	177.84	3.0
2014*	250,000	251,200	0.5	851.68	213.94	2.0
2015**	255,000	255,050	1.5	880.94	224.68	5.0

Note: *: temporary number; **: very temporary number
Source: Ministry of Tourism (2016)
(https://web.kominfo.go.id/sites/default/files/Paparan%20Kemenpar%20untuk%20KIDI%202016.pdf)

To be able to develop a market, a good marketer should fully understand the characteristics, preferences, and behavior of the market (Kotler and Keller, 2016: 179). Therefore, principles, concepts, and marketing functions like segmentation and targeting should be adopted in tourism development strategy involving a wide variety of institutions which many are non business institutions (Morrison, 2009). The current study will be relevant for tourism industry, policy makers (i.e., the government), and the society. The existence of marketing studies in the tourism industry has shown an extension of marketing domain which does not cover merely tangible products but in societal process and activities (Kotler and Levy, 1969).

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In the dearth of studies on domestic tourism market, several key concepts in marketing study such as segmentation and targeting will be applied in this study to be able to describe and analyze the characteristics of domestic tourism market in Indonesia. In studying domestic tourism market, we focus on 15 (fifteen) provinces which are the 10 top domestic tourist sources in Indonesia and 5 provinces of national tourism development priority (Ministry of Tourism, 2016). This study is based on secondary data resulted from Socio-economic Survey conducted by Indonesia Central Board of Statistics and Statistics on Domestic Tourists Profile (*Statistik Profil Wisatawan Nusantara*) (2015), Indonesia Tourism Satellite Account (*Nesparnas*) (2015) and other demographic data provided by Indonesia Central Board of Statistics and by the Indonesia Ministry of Tourism. Scope of this study is on the domestic tourism market in the personal segment. Besides the personal segment, market portfolio of Indonesian tourism market also consists of business segment (corporations and government) and international market segment (i.e., foreign tourists) (see Table 3).

Table 3. Indonesian Tourism Customer Portfolio

	Segment	Description
Customer Portfolio	Personal	General and specific purposes personal markets
	Business	Corporate, Associations, Government, Local Government
	International Market	Foreign Tourists

Source: Ministry of Tourism (2015)

Literature Review

Firstly, we should define the concept of domestic tourist travels. As defined by the Indonesia Central Board of Statistics, and then adopted as national definition, a domestic tourist travel is a travel taken by Indonesian inside Indonesia with the characteristics of voluntary travel, staying in the destination of less than 6 months, and with purposes not to study or work (receiving income) in the destination but to visit tourism attractions, and/or staying overnight at commercial accommodation facilities, and/or with round-trip distance of at least 100 kilometers.

The magnitude of domestic tourism market in Indonesia is accounted as 255 millions (in 2015) and targeted to increase every year with a growth of 5 million visits. Such a big number shows the big potential of domestic tourism industry in Indonesia. To develop the market further, that is in terms of number and its contribution to the economy, both government (central and local government) and the industry need to formulate tourism strategies. Despite its big magnitude, Meidan (1989:526) states that “it is not enough to generate tourist arrivals or achieve a certain market share but, rather, it is necessary to produce profitable tourist product sales and profitable market penetrations”. It means that number is not the only, let alone the ultimate, success indicator for domestic tourism market. Focus on quantity alone can harm the sustainability of the destination (Dewi, 2015). Therefore, instead, quality of the domestic tourism industry, that is, its spending behavior and thus its contribution to the local economy.

Kotler and Keller (2016), Malcolm (1989), Meidan (1989), Sarigöllü and Huang (2005) state that to be able to seize the market potential, government and the tourism industry should formulate solid marketing strategies. Marketing strategy formulation starts with segmentation strategy

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(Meidan, 1989). Market segmentation is the process of classifying customers into groups based on different needs, characteristics, or behavior, and it has strategic implications for customer targeting and product positioning. Market segmentation is widely implemented in the tourism industry, using visitor demographics (Morrison et al., 1996), psychographics (Dewi and Kurniawati, 2006; Pizam and Calatone, 1987), behavior (Goldsmith and Litvin, 1999), and benefit (Sarigöllü and Huang, 2005). The result of market segmentation is identification of market segments in the domestic tourism market. A market segment consists of a group of customers who share a similar set of needs and wants (Kotler and Keller, 2016; 268).

Demographic segmentation is a type of market segmentation which employ demographic variables such as age, gender, occupation, education, etc. This segmentation is the most popular since the demographic variables are often associated with consumer needs and wants. Therefore, the present study segment the domestic tourism market based on age and educational background to be able to comprehend the characteristics of the market and segment them into relatively homogenous groups.

Other variable used in segmentation is geographics. Geographic segmentation divides the market into geographical units such as nations, regions, cities, or neighborhood (Kotler and Keller, 2016: 268). The geographic segmentation is conducted so that marketers can tailor marketing programs to the need of local customer groups. Therefore, in designing marketing programs for domestic tourism markets, government as well as tourism industry need to understand consumers' characteristics based on their province of residence.

The domestic tourism market can also be divided into groups based on behavioral variables. In behavioral segmentation, marketers divide buyers into groups on the behavioral basis, such as their needs and benefits, user and usage, and attitude (Kotler and Keller, 2016: 250).

This research delineated the domestic tourism market segments in terms of their demographic characteristics (age group and educational background), behavioral characteristics (distance of travel, length of stay, amount of spending, and accomodation type), and benefit sought (that is, motivation to travel). Description of each of the characteristics and cross analyses of them can portray the domestic tourism market in Indonesia. The profiling was conducted on 33 (thirty three) and with a focus on 15 (fifteen) provinces in Indonesia. The provinces were analyzed as origin (the market) for other provinces in Indonesia. Consequently, this research offers rich managerial implications in relation to destination marketers in terms of product development, targeting, and promotion of the tourism products in provinces in Indonesia to be able to attract visitors from provinces of the objects of this study.

Research Method

This study is a quantitative descriptive study to provide descriptive analysis on the existence of various segments in domestic tourism markets. The study utilized secondary data which were resulted from (mainly) Socio-economic Survey (*Survei Sosial Ekonomi Nasional/SUSENAS*) conducted by Indonesia Central Board of Statistics, Statistics on Domestic Tourists Profile (*Statistik Profil Wisatawan Nusantara*) by Indonesia Ministry of Tourism, Tourism Satellite

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Account (*NESPARNAS)* by Indonesia Ministry of Tourism, and other demographic data provided by Indonesia Central Boards of Statistics.

SUSENAS is a regular survey conducted by Indonesia Central Board of Statistics. The Socio-cultural and education module (*Modul Sosial Budaya dan Pendidikan/MSBP*) in the *SUSENAS* among other questions contained three questions related to the travel patterns of respondents. *SUSENAS MSBP* module included 75,000 of sample units with unit analysis of household. The sample units were households spread all over Indonesia and were taken using probability sampling technique (http://microdata.bps.go.id/mikrodata/index.php/catalog/220, accessed on December 28, 2016). The survey was conducted in the residence of the respondents asking their domestic travel patterns and behavior. Therefore, the analysis on the domestic tourism market was conducted based on the origin of the domestic travelers. Other sources of data were Statistics on Domestic Tourists Profile (*Statistik Profil Wisatawan Nusantara*) (2015), Indonesia Tourism Satellite Account (*Nesparnas*) (2015) and other demographic data provided by Indonesia Central Board of Statistics.

As categorized by the Ministry of Tourism, the domestic tourism market in Indonesia consists of two segments based on their motivation to travel. The first segment is Personal Segment which consist of motivations to travel of Visiting Friends of Relatives (VFR), Leisure and Holiday, Pilgrimage, Health, Training and Courses, Sports and Others. The second segment is Business/Government segment which consists of motivation to travel of professional/business purposes and meeting (see Table 4). The present study focuses on the personal segment of the domestic tourism market since this segment contributed 91% to the total market.

Table 4. The Market Characteristics of Domestic Tourism Market in Indonesia (based on Motivation to Travel)

No	Market Segment/Motivation to Travel	Number of Travels in 2013	Percentage to total Travel	Number of Travels in 2014	Percentage to total travel	Growth (2013 to 2014)
1.	TOTAL PERSONAL SEGMENT	233,658,988	93%	228.592.000	91%	-2%
A	Visiting Friends and Relatives	142,020,658	56.8%	137,406,400	54.8%	-3%
B	Leisure and Holiday	55,533,078	22.21%	55,515,200	22.2%	-0.03%
C	Pilgrimage	17,452,539	5.72%	15,323,200	6.2%	-12%
D	Health	5,500,800	2.2%	6,782,400	2.8%	23%
E	Training and Courses	3,975,578	1.59%	5,275,200	2.2%	33%
F	Sports	775,113	0.31%	753,6	0.4%	-3%
G	Others	8,401,222	3.36%	7,536,000	3.1%	-10%
2	TOTAL BUSINESS/ GOVERNMENT SEGMENT	16,377,382	7%	22,608,000	9%	38%
A	Professional/Business Purposes	14,302,080	6.98%	19,970,400	7.7%	40%
B	Meeting	2,075,302	0.83%	2,637,600	0.8%	27%
	TOTAL	250,036,370	100%	251,200,000	100%	0.47%

Source: Statistics of Domestic Tourists Profile (Ministry of Tourism, 2015), data were further analyzed by authors

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While some data are at the national level (i.e., covers 33 (thirty-three) provinces; 1 (one) new province, that is, Noth Kalimantan, was not yet included in the study due to availability of data), the present study focuses on 15 (fifteen) provinces which served as the 10 (ten) biggest sources of domestic tourists in Indonesia and 5 (five) other provinces which were prioritized by the Indonesian government in the President Joko Widodo era. The 10 (ten) biggest sources of domestic tourists in Indonesia were West Java, East Java, Central Java, Jakarta Special Province, Banten, North Sumatera, South Sulawesi, Bali, Lampung, and South Sumatera. Meanwhile, the 5 (five) provinces were Bangka Belitung, North Maluku, West Nusa Tenggara, East Nusa Tenggara, and North Sulawesi (see Table 5).

Table 5: Profiles of Provinces as Objects of the Study

	PROVINCE	**Number of Domestic Tourists from this Province (2014)**	**Notes**
1	West Java	45,194,669	The provinces taken as objects of the study as the 10 (ten) biggest source of domestic tourists in Indonesia
2	East Java	41,500,911	
3	Central Java	37,239,140	
4	Jakarta Special Province	24,366,386	
5	Banten	10,694,001	
6	North Sumatera	9,724,602	
7	South Sulawesi	7,999,842	
8	Bali	7,735,097	
9	Lampung	6,442,906	
10	South Sumatera	5,407,110	
11	Bangka Belitung	1,846,478	The provinces taken as objects of the study as priority provinces in the national tourism development policy (Ministry of Tourism, 2015)
12	North Maluku	461,116	
13	West Nusa Tenggara	2,552,514	
14	East Nusa Tenggara	2,809,385	
15	North Sulawesi	1,891,192	

Source: Socio-economic Survey (*SUSENAS)* (2015) and Ministry of Tourism (2016) (https://web.kominfo.go.id/sites/default/files/Paparan%20Kemenpar%20untuk%20KIDI%202016.pdf)

The data collected from *SUSENAS* and the other data sources were presented descriptively and systematically to provide solid bases for interpretation and analysis. Raw data from *SUSENAS* and the other sources were also cross analyzed with relevant demographic data to further analyze the data and provide useful insights.

Results and Discussion

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The first analysis on domestic tourism market in Indonesia is based on Table 5. Data show that 63.3% of the total domestic tourists was originated from Java island (especially from West Java, East Java, Central Java, Jakarta Special Province, and Banten). These numbers are correlated with the number of population of the provinces. Those five provinces are the most populous provinces in Indonesia (see Table 6). This indicates that strategies and programs aimed at stimulating the growth of domestic tourism market should concentrate on these provinces.

However, if the number of population is cross-analyzed with the total frequency of travelling, population of certain provinces show higher tendency to travel. The average frequency of travelling of Indonesian people was 0.997 (see Table 6). This means that in a year average Indonesian people travel nearly once. Among 33 provinces surveyed, the highest frequency of travelling was shown by people living in Jakarta Special Province while the lowest was by people living in Papua. Population of some provinces, that is, Bali, Bangka Belitung Islands, Yogyakarta Special Province, Bengkulu and 5 (five) other provinces, travel more than once per year. Table 6 provides insights that the tendency of travelling or propensity to travel is higher on those provinces compared to the rest.

Table 6: Frequency of Travelling per Capita (2014)

PROVINCE	Population	Total Number of Travel	Frequency of Travelling Per Capita
Jakarta Special Province	10,076,220	24,366,386	2.418
Bali	4,120,700	7,735,097	1.877
Bangka Belitung Islands	1,345,382	1,846,478	1.372
Yogyakarta Special Province	3,666,533	4,964,774	1.354
Bengkulu	1,842,897	2,129,421	1.155
Central Java	33,501,978	37,239,140	1.112
Riau Islands	1,918,400	2,105,565	1.098
East Java	38,600,092	41,500,911	1.075
Central Kalimantan	2,440,424	2,586,667	1.06
Sulawesi Tenggara	2,447,420	2,585,660	1.056
Sulawesi Barat	1,257,321	1,269,545	1.01
Sumatera Barat	5,143,731	5,101,187	0.992
West Java	45,988,753	45,194,669	0.983
South Sulawesi	8,432,697	7,999,842	0.949
Banten	11,677,198	10,694,013	0.916
South Kalimantan	3,920,061	3,529,859	0.9
Central Sulawesi	2,834,753	2,521,736	0.89
Riau	6,181,270	5,136,179	0.831
Lampung	8,022,941	6,442,906	0.803
North Sulawesi	2,386,160	1,891,192	0.793
Gorontalo	1,117,195	846,571	0.758
East Kalimantan	3,969,637	2,941,320	0.741
North Sumatera	13,762,443	9,724,602	0.707
South Sumatera	7,941,741	5,407,110	0.681
Maluku	1,656,750	1,040,428	0.628
Jambi	3,342,487	2,016,100	0.603
West Papua	760,044	457,567	0.602

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Aceh	4,909,445	2,890,041	0.589
East Nusa Tenggara	5,039,508	2,809,385	0.557
West Nusa Tenggara	4,771,216	2,552,514	0.535
West Kalimantan	4,721,939	2,421,809	0.513
North Maluku	1,145,014	461,116	0.403
Papua	3,093,297	790,210	0.255
Total (Indonesia)	252,035,647	251,211,543	0.997

Sources: Socio-economic Survey (*SUSENAS)* (2015) and demographic data provided by Indonesia Central Board of Statistics which were cross-analyzed.

Focusing the analysis on the 15 (fifteen) provinces, we cross-analyzed frequency of travelling with educational background. Results of the analysis show that domestic travels were mostly (82%) done by people with educational background of "high school and below". People with higher educational background contributed only 18% to the total number of domestic tourism market. Such trend may reflect the educational background of majority of the Indonesian population. However, this perhaps indicates that the majority of domestic travels is related with travels made by students (elementary and high schools) who regularly make group education-related travels.

Table 7: Frequency of Travelling by Educational Background (2014)

PROVINCE	High School (*SLTA*) and below (frequency of travelling)	Diploma One (*D1)* and above (frequency of travelling)	Total Frequency of Travelling
North Sumatera	8,288,095	1,451,322	9,739,417
South Sumatera	3,143,126	697,186	3,840,312
Lampung	4,251,937	564,199	4,816,136
Kepulauan Bangka Belitung	2,305,304	339,780	2,645,084
Jakarta Special Province	11,958,620	3,188,878	15,147,498
West Java	29,264,822	7,152,667	36,417,489
Central Java	25,672,911	5,344,405	31,017,316
East Java	36,200,100	7,463,889	43,663,989
Banten	7,512,335	1,464,508	8,976,843
Bali	7,768,391	1,591,545	9,359,936
West Nusa Tenggara	1,984,129	785,222	2,769,351
East Nusa Tenggara	1,870,803	402,881	2,273,684
South Sulawesi	5,307,337	1,749,496	7,056,833
Sulawesi Tenggara	1,714,287	557,802	2,272,089
North Maluku	156,862	59,669	216,531
TOTAL	147,399,059 (82%)	32,813,449 (18%)	180,212,508 (100%)

Source: Data from Socio-economic Survey (*SUSENAS)* (2015) which were cross-analyzed.

We further analyzed the data to break down the number of travel by age group (see Table 8). We attempted to confirm the a-priory analysis that majority of the domestic travels were done by

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students as part of their education-related travels. Table 8 shows that the analysis is partly correct. Table 8 shows that domestic travels were 26.43% done by age group of 0-14 years old which is of school-age group. The biggest number of travels (70.61%) was conducted by age group of 15-64 years old. The dominance of the high school background of domestic travelers reflects the background of Indonesian people. However, it still indicates the need to stimulate travels among the youth via education-related travels as well as to design communication strategy directed at market segment with educational background of high-school or below. Marketing strategy also needs to formulate to boost the number of travels by people with higher educational background.

Data from Table 8 also show that senior citizens travel infrequently. People with age group 65 years old or above contributed only 2.97% to the total number of domestic travels. This implies that senior citizens in Indonesia may lack of access to travel. Access to travel can include both physical and financial capability. This may also indicate that in terms of supply, there is minimum infrastructure designed purposely for senior citizens (e.g., park with wheelchair/senior citizen access, health facilities, senior citizen-friendly transportations, etc).

More detailed analysis on the domestic tourism market is conducted by cross-analyzing the origin and destination of the domestic tourists. The raw data from the Socio-economic Survey (*SUSENAS)* state the destination of the travel taken by the respondents. Since the place of residence of the respondents can be identified, we could cross-analyze the information on the place of residence of the respondents and the destinations s/he indicated. Table 9 shows the travel destinations (the x-axis) and the origin (i.e., the places of residence of the respondents, showed at the y-axis). The diagonal line of the table shows the percentage of travels taken inside the respondents' province of residence or percentage of travels taken inside the provinces. Referring to these data, majority in the provinces (13 out of 15) more than 60% domestic travels occurred inside the respective provinces. Some provinces (that is, South Sulawesi and East Nusa Tenggara) even showed as high as 90% of domestic travels which occurred inside the province. However, this does not apply on Jakarta Special Province and Banten. Due to the characteristics of these provinces (in terms of their high level of urbanism, higher purchasing power, and relatively small areas), population of both cities tended to travel outside the province.

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Table 8: Frequency of Travelling of Domestic Tourists by Age Group

PROVINCE	Number of Travels of Domestic Tourists by Age Group						
	0 -14 yo		15 – 64 yo		≥ 65 yo		Total
	Absolute	(% to total)	Absolute	(% to total)	Absolute	(% to total)	
North Sumatera	2,555,925	26.24%	6,788,858	69.70%	394,634	4.05%	9,739,418
South Sumatera	867,949	22.60%	2,836,415	73.86%	135,948	3.54%	3,840,313
Lampung	1,362,693	28.29%	3,332,672	69.20%	120,771	2.51%	4,816,137
Kepulauan Bangka Belitung	798,820	30.20%	1,814,470	68.60%	31,794	1.20%	2,645,085
Jakarta Special Province	3,995,415	26.38%	10,759,095	71.03%	392,988	2.59%	15,147,499
West Java	9,755,208	26.79%	25,684,444	70.53%	977,837	2.69%	36,417,490
Central Java	8,541,225	27.54%	21,311,925	68.71%	1,164,166	3.75%	31,017,317
East Java	11,464,405	26.26%	30,889,607	70.74%	1,309,977	3.00%	43,663,990
Banten	2,711,776	30.21%	6,137,817	68.37%	127,250	1.42%	8,976,844
Bali	2,397,837	25.62%	6,777,682	72.41%	184,417	1.97%	9,359,937
West Nusa Tenggara	654,302	23.63%	2,055,420	74.22%	59,629	2.15%	2,769,352
East Nusa Tenggara	482,050	21.20%	1,710,757	75.24%	80,877	3.56%	2,273,685
South Sulawesi	1,531,561	21.70%	5,215,160	73.90%	310,112	4.39%	7,056,834
Sulawesi Tenggara	453,855	19.98%	1,763,644	77.62%	54,590	2.40%	2,272,090
North Maluku	32,728	15.11%	178,105	82.25%	5,698	2.63%	216,532
TOTAL	47,605,749	26.42%	127,256,071	70.61%	5,350,688	2.97%	180,212,523

Source: Data from Socio-economic Survey (*SUSENAS*) (2015) which were cross-analyzed.

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Table 9: Origins and Destinations of Domestic Travels

	Province of Destination														
Province of Origin	North Sumatera	South Sumatera	Lampung	Kepulauan Bangka Belitung	Jakarta Special Province	West Java	Central Java	East Java	Banten	Bali	West Nusa Tenggara	East Nusa Tenggara	South Sulawesi	Sulawesi Tenggara	North Maluku
North Sumatera	94.49%	0.79%	0.16%	0.02%	2.74%	0.93%	0.77%	0.06%	0.02%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%
South Sumatera	0.14%	75.23%	10.23%	2.51%	5.83%	1.87%	2.06%	1.28%	0.67%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%
Lampung	0.37%	6.23%	73.07%	0.12%	5.62%	5.04%	3.32%	2.56%	3.39%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%
Kepulauan Bangka Belitung	0.04%	3.61%	0.43%	87.57%	4.92%	1.38%	0.83%	0.64%	0.12%	0.08%	0.00%	0.00%	0.26%	0.11%	0.00%
Jakarta Special Province	0.55%	1.00%	0.95%	0.15%	6.84%	51.83%	23.35%	4.99%	8.18%	1.31%	0.03%	0.02%	0.78%	0.02%	0.00%
West Java	0.64%	0.42%	0.84%	0.07%	13.17%	64.69%	11.45%	2.94%	4.56%	0.89%	0.15%	0.03%	0.12%	0.04%	0.00%
Central Java	0.16%	0.29%	0.43%	0.06%	11.27%	7.45%	66.88%	11.25%	0.96%	0.98%	0.05%	0.00%	0.09%	0.11%	0.01%
East Java	0.05%	0.05%	0.04%	0.01%	2.47%	1.60%	5.87%	86.41%	0.19%	2.81%	0.14%	0.15%	0.13%	0.06%	0.00%
Banten	0.68%	1.29%	3.36%	0.02%	10.44%	37.04%	14.43%	4.12%	27.44%	0.94%	0.08%	0.00%	0.04%	0.00%	0.11%
Bali	0.00%	0.04%	0.08%	0.00%	1.39%	0.89%	0.92%	14.35%	0.01%	80.14%	1.49%	0.20%	0.46%	0.03%	0.00%
West Nusa Tenggara	0.00%	0.00%	0.01%	0.00%	1.41%	0.72%	2.01%	2.29%	0.03%	4.96%	86.83%	1.07%	0.54%	0.13%	0.00%
East Nusa Tenggara	0.22%	0.00%	0.00%	0.00%	2.28%	0.34%	0.49%	2.62%	0.02%	1.89%	1.16%	90.04%	0.93%	0.02%	0.00%
South Sulawesi	0.02%	0.13%	0.03%	0.00%	2.92%	0.78%	0.53%	0.79%	0.03%	0.44%	0.16%	0.18%	91.56%	2.30%	0.14%
Sulawesi Tenggara	0.09%	0.00%	0.00%	0.04%	2.65%	0.72%	0.11%	1.17%	0.00%	0.89%	0.18%	0.05%	20.41%	73.07%	0.60%
North Maluku	0.00%	0.00%	0.00%	0.00%	6.17%	0.73%	1.07%	2.58%	0.00%	0.86%	0.00%	0.00%	2.72%	1.61%	84.27%

Source: Data from Socio-economic Survey (*SUSENAS)* (2015) which were cross-analyzed.

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Other characteristics of domestic tourism market were further revealed with some key socio-economic (spending level), behavioral (length of stay and accommodation used while travelling) and benefit/motivational (purpose of travel) characteristics. Table 10 depicts those main characteristics. Based on province, in terms of length of stay, on average domestic tourists stayed between 2.51 to 7.12 days. They spent, on average, between IDR294,000 to 994,000. The shortest length of stay was shown by domestic tourists originated from Kepulauan Bangka Belitung, while the longest was by those from Sulawesi Tenggara. Positively correlated with the longest length of stay, domestic tourists from Sulawesi Tenggara spent most money (i.e., IDR994,000/travel).

Consistent with the spending level, domestic tourism market is also characterized by their use of accommodation, in which only a small percentage of travels involved the use of commercial accommodation. Majority of accommodation was their friends/relatives' houses. Eighty percent of domestic tourists originated from Bali stay in their friends/relatives' houses and only 2.2% used hotel/commercial accommodation. Consistent with the longest length of stay of domestic tourists originated from Sulawesi Tenggara, their use of commercial accommodation was also the highest (23.1%).

Further market segmentation was conducted on the motivation to travel or purpose to travel. The three biggest drivers of domestic travels were Visiting Friends and Relatives (VFR), pilgrimage, and leisure/vacation. Data showed that the major driver of domestic travels was VFR. With exception of Kepulauan Bangka Belitung (24.1%) and Lampung (38.1%), travels taken by domestic tourists from the rest were more than 40% driven by VFR motives. The dominance of VFR motives in domestic tourism market in Indonesia is intuitively true since Indonesian people still hold beliefs that visiting their ancentors, parents, or elderly are obligatory. In religious festive seasons, such as Aidil Fitri, Christmas, or Chinese New Year, Indonesians will travel to their home town to pay respect to their ancentors and parents.

People from Kepulauan Bangka Belitung showed more tendency to travel for leisure and and vacation. Rather unique in terms of motivation to travel is the motivation of domestic travels taken by Balinese, where a pretty big percentage (15.5%) of their travels was motivated by pilgrimage. People from other provinces such as Jakarta Special Province, Lampung, and Central Java, also show pretty high percentage of pilgrimage as their motivation to travel.

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Table 10: Key Characteristics of Domestic Tourism Market

No	Province	Spending/ Travel (IDR000)	Length of Stay (Day)	Accommodation				Motivation to Travel			
				Friends/ Relatives (%)	Hotel/Commercial Accommodation (%)	Others (%)	Not using any (%)	VFR (%)	Leisure/ Vacation (%)	Pilgrimage (%)	Others (%)
1	North Sumatera	343,740	3.45	58.4	1.7	2.7	37.2	60	20.6	5.1	14.3
2	South Sumatera	637,360	4.46	69	10.7	3.3	17	76.2	8.1	1.7	14
3	Lampung	530,690	5.43	48.1	9.4	5.1	37.4	38.1	33.3	7.9	20.7
4	Kepulauan Bangka Belitung	885,510	2.51	18.2	3.5	1.1	77.2	24.1	61.9	0.9	13.1
5	Jakarta Special Province	680,820	3.24	55.4	16.1	1	25.5	55.1	29.4	7.2	8.3
6	West Java	458,190	3.26	55.1	15.6	1.3	28	54.5	32	3.1	10.4
7	Central Java	294,250	2.74	55.1	15.6	1.3	28	54.4	27.8	7.7	10.1
8	East Java	458,290	2.78	52.1	9.2	4	34.7	54.5	32	3.1	10.4
9	Banten	468,260	3.2	32.3	38	1.8	27.8	59.9	23	7.4	9.7
10	Bali	437,790	4.36	80.4	2.2	1.2	16.3	70.5	7.7	15.5	6.3
11	West Nusa Tenggara	911,530	4.12	37.6	19.6	4.8	38.1	47.7	22.1	5.4	24.8
12	East Nusa Tenggara	936,230	5.39	71.9	5.7	2.4	20.1	61.4	9.7	3.4	25.5
13	South Sulawesi	588,730	4.73	69	10.7	3.3	17	58.5	11.9	2.7	26.9
14	Sulawesi Tenggara	994,910	7.12	68.1	23.1	5	3.8	63.1	16.6	1	19.3
15	North Maluku	2,210,450	5.81	81.5	13	3.7	1.9	48.5	6.1	0	45.4

Sources: Socio-economic Survey (*SUSENAS)* (2015), Statistics on Domestic Tourists Profile (*Statistik Profil Wisatawan Nusantara*) (2015), Indonesia Tourism Satellite Account (*Nesparnas*) (2015) and other demographic data provided by Indonesia Central Board of Statistics which were cross-analyzed.

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Conclusions and Implications

The descriptive analyses on the domestic tourism market in Indonesia indicated that the major characteristics of the market were: firstly, the majority of the travels originated and occurred in Java Island and especially in provinces which are most developed and of highest level of urbanism. More than 60% of domestic travels were taken by people living in 5 provinces of West Java, East Java, Central Java, Jakarta Special Province, and Banten. The other 28 provinces accounted only 40% of the total domestic tourism market. This offers insights that if we focus on quantity, budget should be directed to those provinces which can generate number of travel most. However, government should be aware that this fact may indicate the wide development gap between Java and other islands in Indonesia. Consistent with this finding is the frequency of travelling per capita where lower numbers were shown by provinces in eastern part of Indonesia.
Therefore, further research can explore the relationship between number of domestic travels with economic growth, per capita income, or other economic indicators of the provinces.

Secondly. the relationship between frequency of travelling and age group show that majority of travelling was taken by the productive age people. The small percentage of travelling taken by senior citizens can reflect the welfare of senior citizens in Indonesia. We can further this findings by examining other factors related to this finding, e.g., on the life expectancy of population in each province and Human Development Index.

Findings also portray the key characteristics of domestic tourism market in Indonesia. Domestic tourism market in Indonesia is characterized by short distance (within province) travels, driven byVisiting-Friends-and-Relatives motive, relatively low spending level and of not using commercial accommodation. Based on these findings, there are several marketing strategies to be formulated. Firstly, there should be national tourism campaign to stimulate travelling outside one's province. Marketing communication programs such as television programs, magazine advertorials, and digital marketing should be designed to build awareness of destinations in Indonesia and to induce lifestyle of travelling inside Indonesia. Secondly, there should be specific marketing strategies formulated for each province. This study shows that while there are similarities on market characteristics across provinces, there are uniqueness of market in each market which needs specific marketing strategies to penetrate and develop the market. For example, Bali market tends to take a journey with pilgrimage motive, therefore provinces attempting to attract Balinese should portray their Hindu pilgrimage destinations. Other characteristics of each province should be utilized to formulate well-targeted marketing strategies and programs.

Government and tourism industry also need to develop innovative packaging and programming. Packaging is an activity to combine related tourism products and services in a single tourism product price offer, whereas programming is a packaging-related technique where certain events, programs, or activities are created to attract more tourist spending or to add the value of packages. While potential products can be bountiful, they need to be packaged and sold in creative ways to create meaningful tourist experience (Morrison, 2010). Good and creative packaging and programming can attract more tourists to visit a destination, to stay longer to enjoy products and experience the destination offers and to spend more (Dewi, 2011).

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To develop domestic tourism market in Indonesia, above all, access (especially air transportation) to destinations in Indonesia should get significant improvement. Due to the poor accessibility, it is not impossible that air transport costs to destinations in Eastern part of Indonesia is far more expensive than that to travel to neighborhood countries.

Based on such findings, there are future research agenda. We can further examine the relationships of the domestic tourism market characteristics with other variables, such as economic indicators, Human Development Index, or other psychographic traits. More specifically, we can also offer deeper insights on the domestic tourism market in Indonesia, for example by examining several possibilities that domestic tourists can be driven by multiple (not single) motives, that is VFR combined with pilgrimage and recreation/holiday purposes. Future research can also examine the composition of spending (that is, spending on transportation, food and beverage, souvenir and gifts, etc). More detailed analysis of the domestic tourism market can become sounder basis for marketing strategy as well as government development policy formulation.

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