



## High-Value Experience, High-Value Market Segments, and Sustainability Principles in Quality Tourism: Case Studies on Community-based Tourism Destinations in Indonesia

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**ABSTRACT:** Quality tourism which has been recently proposed as the tourism development paradigm is still poorly defined. This paper attempts to explore the literature on this subject. Having visited quality tourism in tourism, sustainable tourism, and marketing-related literature, we propose that it pertains to three aspects 1) quality, high-value, and satisfying tourism products and services, 2) consumers who will 'happily' pay more to enjoy the high-value experience, and 3) aspect of ethics, transparency, and respect towards human, nature, and culture. Further, using the three aspects of quality tourism as a framework, case studies are presented to (1) analyze the adoption of the quality tourism paradigm at community-based tourism destinations in Yogyakarta and, (2) propose recommendations to transform these destinations to become quality tourism destinations. The case studies on three tourism villages as community-based tourism destinations that some aspects to be enhanced include the development of High-Value Experience as Represented by the Price of Tourism Products/Packages, marketing strategies to target High-value Market Segments, and further adoption of sustainable tourism development practices.

**Keywords:** quality tourism, community-based tourism destinations



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## INTRODUCTION

The discourse of quality tourism re-emerged in Indonesia as the Minister of Tourism Indonesia, Sandiaga Uno stated that quality tourism is the new paradigm of tourism development in Indonesia ([Suhartanto et al., 2021](#); [Tempo, 2022](#)). While quality tourism has been widely viewed as the antithesis of quantity tourism, it demands further exploration to propose the implication of the adoption of the paradigm on tourism product creation as well as market development and communication strategies ([Buckley et al., 2022](#); [Li et al., 2022](#); [Pulido-Fernández et al., 2022](#)).

The quality tourism concept which refers to the quality of a tourism destination is the result of a process which implies the satisfaction of all tourism product and service needs, requirements and expectations of the consumer at an acceptable price, in conformity with mutually accepted contractual conditions and the implicit underlying factors such as safety and security, hygiene, accessibility, communication, infrastructure, and public amenities and services. It also involves aspects of ethics, transparency, and respect towards the human, natural and cultural environment ([United Nations World Tourism Organization, 2017](#)).

There are the various definitions of quality tourism experiences used by destinations and organizations involved in tourism research, planning, policy, management, marketing, and delivery ([Attallah, 2015](#); [Jennings et al., 2009](#)). Quality tourism definition is often implied in tourism development policies. In India, the policy regarding hospitality tourism is to convert its strengths into marketable, easy to access, good quality experiences ([Basarangil, 2018](#); [Jennings et al., 2009](#); [Nayak et al., 2022](#); [Sahoo et al., 2022](#)). The New Zealand Trade and Enterprise extends the concept of quality tourism to high-value tourism which offers high-value experiences that people will happily pay more to enjoy ([Harding & Walker, 2009](#); [Insch, 2020](#); [Jennings et al., 2009](#); [Vatsa, 2020](#)). Ministry of Tourism Indonesia states that quality tourism is not mass tourism, therefore the strategy is to target market segments with high spending ([Adrianto et al., 2021](#); [Hayati et al., 2020](#)).

With regards to the various definition of quality tourism, implied in the definition are three important aspects, that is “quality, high-value, and satisfying tourism products and services”, “consumers who will happily pay more to enjoy the high-value experience,” and “aspect of ethics, transparency, and respect towards the human, natural, and cultural environment” (see Figure 1). Quality tourism is highly related to sustainable tourism development in which nature, socio-culture, and economy should be harmoniously maintained. Given these aspects of quality tourism, we chose community-based tourism destinations to research quality tourism both at the level of concept and implementation.

Therefore, the purposes of this article are to (1) review and analyze the adoption of the quality tourism paradigm at community-based tourism destinations, and (2) propose a recommendation to transform the community-based destination toward quality tourism destinations. The research takes three community-based tourism destinations in Yogyakarta Special Region, Indonesia as case studies. The three community-based tourism destinations are locally named Tourism Villages since the main attraction is the village community itself.

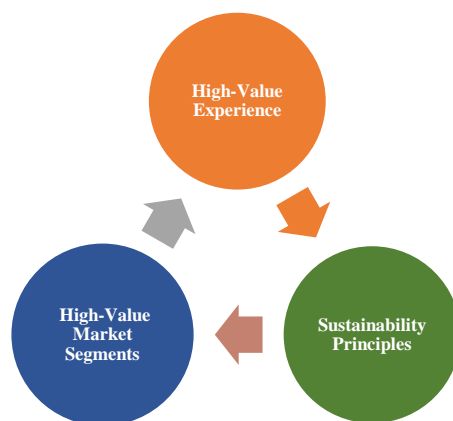


Figure 1: Determinants of Quality Tourism (formulation proposed by authors)

Deriving from the definition of quality tourism as implicitly defined in tourism research, management, and policy, the term quality tourism is related to at least three domains of literature, that is, tourism-related literature, marketing-related literature, and sustainable tourism literature.

### **Quality Tourism in Tourism-related Literature**

Quality tourism in tourism literature can be related to the concept of competitiveness. The competitiveness of a destination is important due to the globalization of tourism. In this condition, to succeed in the market, destinations must differentiate from others ([Mazanec et al., 2007](#)). Differentiation of a tourist destination is based on the total products it offers to market ([Dey et al., 2020](#); [Formica & Uysal, 2006](#)). Therefore, the quality of products and services offered by a destination and integrated quality management were discussed in tourism literature. Integrated quality management has a key role in the improvement of the competitive position of tourism.

There are a lot of definitions of competitiveness in tourism. A comprehensive interpretation of competition was that what makes a tourism destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations ([Crouch & Ritchie, 1999](#)). There are several aspects contained in the definition, that is, satisfying and memorable experiences which becomes an antecedent of an increase in the number of visitors and their increased spending. There is also one important aspect of competitiveness of enhancing the destination residents' well-being and preserving the natural capital of the destination for the future generation.

Assuring sustainability is an attempt to turn a destination's comparative advantage into a competitive market position ([Hassan, 2000](#)). The development of a destination means adding value to its potential in a way that is consistent with market demand. Trends in tourism affecting

market demand include tourists' concern for sustainability. The quality of destination happens only when the quality of the environment and community can be sustained ([Hassan, 2000](#)). Unique and distinctive tourism products and services must be protected to maintain the destination's competitiveness. Therefore the adoption of the sustainability principle in tourism destinations is very logical.

### **Quality Tourism in Marketing-related Literature**

Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs ([American Service of Quality, 2022](#)). This definition is customer-driven ([Kotler & Keller, 2016](#)). A quality product or service can deliver quality, i.e., meeting or exceeding the customers' expectations ([Kotler & Keller, 2016](#)). This definition points out that quality is always seen from the customers' perspective. Therefore, quality tourism is the tourism that can meet or exceed tourists' expectations.

Quality in marketing literature is defined as both conformance quality and performance quality. Conformance means that a product/service delivers its promised quality. Performance quality is the level at which the products excel their competitors in certain aspects/primary characteristics ([Kotler & Keller, 2016](#)). Tourism products and services are then perceived as quality products/services in comparison with their competitors' products and services.

With regards to tourism products that are more service-oriented, marketing literature provides a dearth of literature on. SERVQUAL model has been widely adopted in marketing, tourism, and hospitality ([A. P. Parasuraman et al., 1988](#)). SERVQUAL is developed based on an expectation vis-à-vis performance disconfirmation paradigm. In this model, service quality is measured as the gap between expectation and performance. SERVQUAL provides criteria to measure service quality on its dimensions of Reliability, Assurance, Tangible, Empathy, and Responsiveness ([A. Parasuraman et al., 1991](#)).

SERVQUAL has been significantly used within the tourism and hospitality industries ([Jennings et al., 2009](#)). There are variations of SERVQUAL, to asian culture SERVQUAL was adapted to PAKSERV model ([Raajpoot, 2004](#)). The model was developed based on cultural dimensions ([Hofstede, 1984](#)). This adaptation of SERVQUAL to the tourism and hospitality sector indicates that the basic functional service quality as proposed in SERVQUAL should be adapted to reflect and measure quality in tourism.

Quality tourism experience can be referred to as the concept of experience in marketing literature. Experience is created when a company purposely uses services as the stage and goods as props and to engage individual customers in a way that creates a memorable event ([Pine & Gilmore, 1999](#)). Experience is the whole emotional state, consisting of a steady flow of fantasies, feelings, and fun ([Holbrook & Hirschman, 1982](#)).

The concept of experience in marketing literature will lead to tourism products and services which go beyond their functional values ([LaSalle & Britton, 2002](#)). Tourism product/service that when combined with its surrounding experiences events go beyond itself to enhance and bring value to a customer's life. High-value experience is personal and constructed by tourists

themselves. Therefore, quality tourism products/services are a high-quality tourism experience ([Holbrook & Hirschman, 1982](#); [LaSalle & Britton, 2002](#)).

A high-value tourism experience is therefore the high-value as perceived by the customers themselves. This is based on the concept of market segmentation and targeting. Market segmentation is the process of classifying customers based on certain characteristics ([Kotler & Keller, 2016](#); [Sarigöllü & Huang, 2005](#)). The characteristics can be demographics, psychographics, geographics, and behavior. Targeting is the selection of one or more customer groups to become the focus for the organization to direct all resources.

Since the value of experience is that as perceived by customers, targeting becomes a very important decision. Marketing mixes which include product, price, place, and promotion are all designed based on the target market segment. Skills in choosing target market segments are therefore crucial in the creation of a high-value tourism experience.

### **Relationship between Quality Tourism, Sustainable Tourism, and Community-based Tourism**

Based on the comprehensive definition of quality tourism, there is an important aspect of quality tourism, which is, the aspect of ethics, transparency, and respect towards the human, natural, and cultural environment. This corresponds to the principle of sustainable tourism development. Sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs ([Swarbrooke, 1999](#)). Hence, sustainable tourism development is sustainable development achieved through tourism. Sustainable tourism development consists of three main principles of environmental protection, social responsibility, and economic health ([Swarbrooke, 1999](#)).

Sustainable tourism development aim at:

- a) achieving economic growth, which includes competitiveness of tourism products and services, the prosperity of tourism business, in the long run, business potential and job creation, and a healthy and just work environment for all tourism workers,
- b) strengthening social capital and maintaining social cohesion, which results in the quality of life of the local community, involvement, and participation of the community in tourism, and a safe, high-value, and quality experience for tourists visiting the destination.
- c) protecting environment and culture, which reduces pollution, and degradation of the global environment and protects and enriches diversity and uniqueness of culture ([Cooper et al., 2008](#); [Swarbrooke, 1999](#)).

Sustainable tourism will require a balance between visitors' interests, management, and the community's interests. Consumers will reflect the market's interests in a destination which in turn results in economic benefits of tourism development ([Swarbrooke, 1999](#)). Therefore, the development of sustainable tourism should observe changes in consumer behavior. Consumers are now more mobile, expect higher health and safety standards, demand a higher quality of products and services, and are much more connected and more informed regarding destination

information ([Mendes & Guerreiro, 2016](#)). Consumers also show growing interest in product co-creation, the authenticity of tourist attractions, and unique and customized products and services.

This perspective combines marketing's point of view of quality tourism and sustainable tourism. That is, tourism product development should be oriented to customers' preferences. There is an important trend in consumer preference, such as individualization of needs and expectations of tourists, growing tourists' demands in the sphere of quality and safety, the birth of a tourist seeking authenticity, new cultures, and exciting experiences, growing spatial mobility of tourists and their growing "networking", growing awareness and sensitization of tourists towards health, ecological, and social issues, and co-consumption of products by tourists. Without overlooking the basic principles of sustainable development, customers' preferences will result in customers' willingness to visit and spend money on a destination. This in turn will result in economic benefits, one of the pillars, of sustainable tourism.

The concept of sustainable tourism development in terms of its aspects and socio-culture benefits corresponds very much to the concept of community-based tourism. According to the International Community for Sustainable Development (the Brundtland Report: WCED, 1987), tourism should serve as an alternative development strategy to enhance the economic well-being of the people, without sacrificing the planet for future generations. Tourism should also contribute to job creation.

This leads to the development of the concept of community-based tourism. Community-based tourism is based on principles that tourism development should: (1) involve members of the community in decision-making, (2) ascertain that society is the beneficiary of tourism benefit, and (3) educate society about tourism development ([Okazaki, 2008](#)). The involvement of society in tourism is important to ascertain that tourism will benefit the local economy, in terms of additional income for the people and provision of employment opportunities.

Further, Community-Based Tourism development should also identify, support, and promote community ownership in tourism, promote community pride, protect local uniqueness and culture, promote cross-culture learning, and protect the environment ([Lu & Nepal, 2009](#)). Economic benefit for the society also means a fair distribution of profits to community members and contributes to the development of the society.

Tourism village which emerged in Yogyakarta Special Region in the early 1990s, without any systematic design to become community-based tourism, had met the principles of community-based tourism. The tourism village format met the concept of community-based tourism and homestay. ASEAN has developed community-based tourism destination guidelines and homestay standards.

Particularly in the development of Indonesia, the village is the core locus of development. In Yogyakarta Special Region where the disparity between districts and between city and village areas was pretty wide (as shown in relatively high Gini Ratio and high Williamson Index), the development of tourism villages can serve as a strategy to boost village development, reduce disparity, and minimize urbanization.

## **METHOD**

The research is a multiple case study ([Creswell, 2017](#); [Yin, 2012](#)), conducted at three community-based tourism destinations in Yogyakarta Special Region, Indonesia. Yogyakarta is one of the most famous destinations in Indonesia. It attracts more than 6 million tourists in 2019 and is renowned for its community-based tourism philosophy. Community-based tourism is translated as tourism villages that offer rural landscapes and local people's daily lives as the main attraction. Tourism villages are owned and managed by the village community themselves.

Three tourism villages studied were Pentingsari, Bleberan, and Nglinggo. The three tourism villages as case studies should represent the wide variety of tourism villages in terms of stages of development, and main tourist attractions (natural, cultural landscapes, or handicrafts). Therefore, the sites were selected based on those considerations as follows:

1. Pentingsari Village is located in Sleman Regency, Yogyakarta Special Region. It is one of the pioneers in the development of tourism villages in Indonesia. The village has received various awards and recognition at national and international levels as a community-based tourism destination as well as a sustainable destination.
2. Bleberan Village is located in Gunungkidul Regency, Yogyakarta Special Region. The village is based on two main attractions, that is, handicrafts and natural landscape. Its natural attraction is also a part of Gunung Sewu Geopark, which was recognized as UNESCO's Global Geopark Network.
3. Nglinggo Village is a relatively new tourism village located near a new international airport which was designed to become a regional hub in Indonesia. The village capitalizes on its highland area with a beautiful viewpoint and tea plantation.

The research was conducted via in-depth interviews with the leaders of the tourism village and site observation. Perspectives were all built from the supply side, that is, from the perspectives of the organizers of the tourism village and from the demand side, which was represented by the view of the tourism industry in Yogyakarta.

As argued earlier, quality tourism pertains to three aspects:

1. Quality, high-value, and satisfying tourism products and services
2. Consumers which will happily pay more to enjoy a high-value experience
3. The aspect of ethics, transparency, and respect towards the human, natural, and cultural environment.

Based on these aspects, we developed interview and observation guidelines to pertain to:

1. Products and services offered to tourists
2. The uniqueness of experience (i.e., unique selling points of each tourist destination)
3. High-value experience is represented by the price of tourism products/packages.
4. High-value market segments as represented by the profile of existing market segments and their spending.

**RESULT AND DISCUSSION**

**Products and Services Offered and Uniqueness of Experience**

In general, a tourism village is a product that has recently received higher attention and popularity. In line with consumers' trend in which authenticity is demanded. Tourism village generally offers tangible and intangible cultures of the society, which include the daily lives of the society living in the area, local traditions and art performance, local architecture, etc. Depending on the landscape of the tourism village, each tourism village offers a variety of activities, such as cooking classes, art classes, and outbound group activities.

Types of tourist products (i.e., attractions and activities) offered by the tourism villages depend to some extent on the landscape of the tourism village. Pentingsari offered a typical village in Java, with paddy fields and farmers' lives as its main attraction. There was no distinct natural landscape, but since it is located on the slope of Mount Merapi, the air was cool and refreshing. There was no particular natural landscape that could become the main interest. Pentingsari offered daily activities and local culture to be experienced by tourists. The packages offered (see Table 2) mainly included village exploration, local tradition, local art and performance, and local cuisine.

Pentingsari Village offered more (compared to other tourism villages) live-in packages with more experiential products. This might reflect the development of the tourism village, market experience, product development experience, or perhaps managerial creativity in the nonexistence of a distinct natural landscape. The activity or experience-based products offered by Pentingsari village have supported its unique selling proposition of experiencing, learning, and interacting with nature, culture, and the daily lives of a village on the slope of Mount Merapi.

**Table 2**

**Products/Packages of Pentingsari Tourism Village**

Package offered	5-hour package 9-hour package 2 day/1 night live-in 4 day/2 night live-in 4 day/3 night live-in				
Type of Attraction/Activities	VILLAGE EXPLORATION	LOCAL TRADITION	LOCAL ART AND PERFORMANCE	LOCAL CULINARY	OUTBOUND
Activities	Village exploration (farming workshop, river tracking, paddy field plowing, paddy planting,	Participation in local tradition	- Welcome dance (traditional dance) - Local arts and culture exploration (gamelan	Cooking class (coffee-making)	- Outbound and group dynamics - Outbound and group dynamics



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	fish catching, fun sport at mud field)		lessons and practice, local art lessons with coconut leaves and puppet-making)		
UNIQUE SELLING POINT	Experiencing, learning, and interacting with nature, culture, and daily lives of a village on the slope of Mount Merapi.				

Source: Processed from field research data (2020)

Our second case study of Bleberan tourism village showed that natural attraction could be combined with cultural experiences (see Table 3). Bleberan had several distinctive natural landscapes which include a waterfall, river, and natural cave. More nature-based tourist activities could be developed and become the main attractions or unique selling points of Bleberan tourism village. However, there was also a drawback since data showed that tourists tended to spend a shorter time (3-hour visit) in Bleberan. Live-in packages (with a longer length of stay) were not too developed. If we refer to Table 5 the number of tourists visiting Bleberan was much higher than that of Pentingsari. The average spending of visitors to Bleberan was also lower compared to Pentingsari.

**Table 3**

### Products/Packages of Bleberan Tourism Village

Package offered	3-hour visit 3-day live-in				
	NATURAL LANDSCAPE	LOCAL TRADITION	LOCAL ART PERFORMANCE	LOCAL CULINARY	OUTBOUND
Activities	Sri Gethuk waterfall, Rancang Kencono cave, Body Rafting	Participation in local tradition ( <i>rasulan, hadroh</i> )	Local art performance, lessons, and practice (shadow puppet, <i>gamelan, reog, jathilan, kethoprak</i> , etc.)	Enjoying local food and cooking class (red rice, fried grasshopper)	Outbound and group dynamics
UNIQUE SELLING POINT	Experiencing activities in a unique natural landscape of waterfall, river, and cave				

Source: Processed from field research data (2020)

Nglinggo tourism village has a unique landscape as a highland with a tea plantation area offering beautiful scenery. However, based on information from the tourism village organizers, the majority of tourists visited the place for only sightseeing and taking selfies. Adventure and Edu-tourism packages were only bought by a few tourists.

**Table 4**

**Products/Packages of Nglinggo Tourism Village**

Package offered	Sightseeing Natural Landscape Edu-tourism Package Adventure (1-day tour; Full Package)		
Type of Attraction/Activities	SIGHTSEEING NATURAL LANDSCAPE	EDU-TOURISM PACKAGE	ADVENTURE
Activities	Tea plantation, Ngisis Hill, Jaran Hill, Watu Jonggol waterfall, pine forest	Tea brewing, coffee brewing, goat farming	Camping, biking, motor trail, off-road jeep adventure
UNIQUE SELLING POINT	Highland landscape view and adventure		

Source: Processed from field research data (2020)

Growing interests in such community-based tourism destinations resulted in a growing number of tourists visiting tourism villages. This phenomenon was particularly correct for tourism villages in Yogyakarta. Nationally, Yogyakarta Special Regional was a pioneer in developing tourism villages. Data from the three tourism villages which become the research subjects in this research also showed a higher number of tourists visiting them (see Table 2).

Based on the different characteristics of the tourist villages, that is, in terms of size and type of tourist activities, the number of tourists visiting Bleberan and Nglinggo was much higher than those of Pentingsari.

**Table 5**

**Number of Tourists Visiting Pentingsari, Bleberan, and Nglinggo**

Year	Pentingsari			Bleberan			Nglinggo		
	Domestic Tourist	Foreign Tourist	Total	Domestic Tourist	Foreign Tourist	Total	Domestic Tourist	Foreign Tourist	Total
2017	23,273	244	23,517	111,209	1,051	112,260	61,301	114	61,302
2018	23,170	295	23,465	79,837	1,682	81,519	54,776	141	54,777
2019	21,082	181	21,263	63,567	1,376	64,943	57,190	95	57,191

Source: Compiled from field research data (2020)

**High-Value Experience as Represented by Price of Tourism Products/Packages**

We could assess the value of products and experiences by examining the prices of products/packages offered by the tourism villages. We analyzed more importantly the most popular products/packages bought by customers. High-value experience is by definition the value as perceived by customers. Therefore their willingness to pay for certain products/services reflect the value of the products/services.

The tourism villages offered a variety of products/services and their prices range from the least expensive to and most expensive as presented in Table 6. The average spending of a customer can also convey the value of products/services as perceived by customers. Data showed that the tourism villages offered relatively expensive packages of USD43.45, USD68.97, and USD24.14. Such prices can be compared with the average spending of tourists visiting Yogyakarta Special Region of USD193.10 (for a 2-day stay) or USD96.55 per person per day. The most expensive packages account for 45%, 72%, and 25% for Pentingsari, Bleberan, and Nglinggo respectively.

However, the least expensive products/packages with much lower prices were much more popular. The least expensive products accounted for 60% of the products bought by customers. Data on average spending by customers also indicate a relatively low spending level. The highest average spending was recorded by Pentingsari village, showing its capability in creating products/packages. Consumers spent an average of USD6.89 at Bleberan and mostly spent their money on water-based adventures, such as river-tubing. The lowest average spending (USD2.07) occurred at Nglinggo. In the interview, the organizer of Nglinggo revealed that visitors tended to pay entrance fees only and took selfies with its beautiful landscape as background.

This conveyed that from consumers' perspective, there are not yet high-value products/services offered by tourism villages. As described earlier, there was a lot of potential possessed by the tourism villages to be developed into quality tourism products/packages. There were also a variety of products/activities already offered to tourists. This inferred that these potentials and products offered to tourists did not yet receive adequate appreciation. We will elaborate implications on such facts later on which lead to the recommendation that knowledge and skills in developing quality tourism products/packages were required.

**Table 6**

**Prices of Tourism Products/Packages**

Name of Tourism Village	Average Spending (USD)*	Most Expensive Package		Least Expensive			
		Price of the Package (USD)	Description	Percentage of Total Sales	Price (IDR)	Description	Percentage of Total Sales
1. Pentingsari	13.79	43.45	4 day-3 night all-in	10% of total sales.	6.21	Basic Package	60%

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			package.					
2.	Bleberan	6.89	68.97	All-in (homestay, meals, adventure, cultural activities).	5-10% of total sales.	2.07	Basic Package	60%
3.	Nglinggo	3.45	24.14	2 day-1 night all-in package including adventure and other activities.	7% of total sales.	0.42	Entry-ticket only	54%

Source: Compiled from field research data (2020)

Note: \*) original data were quoted in local currency (Indonesian Rupiah), and the exchange rate of IDR14,500/USD was used to quote the USD equivalent amount.

### High-value Market Segments as Represented by Profile of Existing Market Segments

Demographically, market segments of tourism villages were young people in the age group 14-35 years old (see Table 7). For Pentingsari and Nglinggo, junior and senior high school students' age groups of 14-19 years old accounted for about 40% of the total tourists. This is confirmed by Table 8, in which the segment of Pentingsari was majority primary to high school students. Likewise, the majority of tourists to Nglinggo were students from primary school to tertiary students.

**Table 7**

#### Market Segments by Age

Age Group	Pentingsari	Bleberan	Nglinggo
<7 years old	5%	1%	4%
7 – 13 y.o	5%	4%	8%
14 – 16 y.o	15%	15%	14%
17 – 19 y.o	30%	15%	25%
19 – 24 y.o	15%	20%	19%
25 – 35 y.o	10%	35%	13%
36 – 45 y.o	5%	5%	11%
>45 y.o	5%	5%	8%

Source: Compiled from field research data (2020)

Millennials seem to become the main target market for such community-based tourism destinations. While millennials would become the future market segment, earlier data (see Table 3) show that their current spending level at tourism villages was pretty low. More explicitly stated by organizers of Nglingga tourism village, millennial visitors tended to pay only for entry tickets, took many selfies, but barely bought packages offered by the village. This might indicate that millennials tend to create their own experience (Kamboj & Sharma, 2016; Yousaf et al., 2018).

Data on market segments showed that the tourism village had been a destination for students' field trips. Students from city areas are not familiar with villages and the traditional way of living. Some haven't seen paddy fields (which is the staple for Indonesians) and live chickens. Therefore tourism villages have become Edu-tourism destinations for school children.

**Table 8**

**Market Segments by Occupation**

Description	Pentingsari	Bleberan	Nglingga
Elementary School Students	20%	0%	3%
Junior High School Students	35%	10%	23%
Senior High School Students	20%	15%	31%
Tertiary Education Students	5%	25%	17%
Private Sector Employees	5%	25%	8%
Government Institution employees	5%	10%	7%
State-owned company employees	5%	10%	5%
Others	5%	5%	6%

Source: Compiled from field research data (2020)

**Sustainability Principle Implementation**

As elaborated earlier, sustainable tourism harmonizes three aspects of economic well-being, culture, and environmental protection. Generally, in terms of economic benefit, ordinary villages which became tourism villages received additional income from the tourists' spending. While the village can operate as a tourist destination, village people still do their activities as farmers, civil servants, or other occupations. Offering daily lives and culture would also generate additional activities for society. Tourists spent money to join in farming, local rituals, art practice, etc., which naturally happened with or without tourist visits. Indeed, some activities were purposely created for tourism purposes, but the majority of attractions/activities were naturally there.

Therefore, local culture was directly promoted by the existence of a tourism village. The old tradition, local food, and local arts were preserved, practiced, and showcased to tourists to become unique and authentic attractions and activities of the tourism villages. As discussed earlier, perhaps due to the earlier stage of development of Nglingga village as a tourism village, not much of the local culture was packaged and programmed as its products.

Likewise, the economic benefit from the tourism villages was realized by the people. The total income could be calculated by multiplying the number of tourists by their average spending. However, more importantly, as community-based tourism destinations, the economic benefit obtained from tourism activities should not be enjoyed by several people of leaders/elites of the tourism villages. The distribution of economic benefits in the tourism villages was confirmed during our field observation and interviews. Data and records about the number of visitors and the products/packages they bought were fairly disclosed.

Pentingsari involved 30 people to be directly engaged with the tourism village organization. Additionally, approximately 60 rooms as homestays were provided involving local people's houses. The community had also reached an agreement on the distribution of income obtained from tourism activities. Half (50%) of profits were allocated for operational expenses, 30% for the tourism village's cash reserves, and 20% was allocated for village development.

Bleberan tourism village organization was institutionalized using the format of *BUMDES* or village-owned enterprise. This is an institution introduced by the Indonesian government as people/community-based economic institution. The village was organized by the village institution involving the village people to ensure that the tourism village would benefit the village and the society. Some of the income would directly go to *BUMDES*, a certain percentage went to local government, while the remaining would be managed by the tourism village organization to operationally run the tourism village.

Nglinggo tourism village as a relatively new tourism village employed at least 30 and 25 people as full-timers and part-timers respectively. Distribution of income was also agreed to allocate about 50% amongst the people who directly managed the tourism village, 27.5% to the organization's cash reserve, and 22.5% to the local government.

With regards to environmental protection, there were not any systematic or institutionalized policies to implement environmental protection measures. Nevertheless, Pentingsari was recognized for its environment protection practices. Pentingsari received international recognition Green Destination Award Top 100 (2019) on Global Green Destinations Days by the Green Destinations Foundation.

The findings of the research depict that the concept of quality tourism includes not only products and/or services but a holistic experience. [Mendes et al. \(2016\)](#) suggest that even though the quality is a well-established domain, the term is taken for granted without proper elaboration of its components. The present research contributes theoretically to the conceptualization of quality tourism by synthesizing the literature from the marketing-related literature and tourism-related literature.

We have proposed the domains of quality tourism experience to include high-quality experience, high-quality market segments, and sustainability principles. Based on such propositions, future research can examine the role of high-quality experience in determining tourists' satisfaction and revisiting intentions. There are need to establish theoretical relationships between tourists'

experience with antecedents such as destination image, tourists' characteristics, and tourists' behavioral intentions (Liu et al., 2017). Further analysis needs to be done to provide nuances of the different impacts between these variables based on the characteristics of the tourist segment. The characteristics of the tourist segment are very important in analyzing the quality travel experience as perceived by the tourists (Dolnicar, 2020).

Conceptually, this research has drawn the importance of sustainability principles in the definition of quality tourism experience. This is relevant to the urgency of developing rural tourism as a sustainable destination (Hatipoglu et al., 2022; Jennings et al., 2009). Sustainable tourism should be applied to start from the smallest environment, namely rural development. A tourism village is a rural area that offers authenticity both in terms of socio-culture, customs, daily life, traditional architecture, and village spatial structure which is presented in a form of integration of tourism components, such as attractions, accommodation, and supporting facilities (Hatipoglu et al., 2022; Okazaki, 2008; United Nations World Tourism Organization, 2017). Therefore, the definition of quality tourism experience in the context of rural tourism may require special formulation to address the sensitivity of the loci.

The findings of the multiple case studies in this research can become a starting point for the development of quality dimensions of tourism experiences in rural tourism contexts. There were insightful findings on the current status of the perception of quality tourism experience, market segments, and adoption of sustainability principles in three community-based tourism destinations in Yogyakarta. This leads to the planning and management of rural tourism conducted by the government, tourism industry, and relevant stakeholders as elaborated in the following section.

## MANAGERIAL IMPLICATIONS IN THE CONTEXT OF SOUTHEAST ASIAN CONTEXT

Elaborate and systematic strategies involving tourism stakeholders need to be developed to transform tourism villages to become quality tourism destinations in Southeast Asia. Therefore, to aim at high-value experience, high-value market segments, and adoption of sustainable tourism, the development of strategies should pertain to four domains of destination, marketing, industry, institution building, and human resource. These domains correspond to the four domains of tourism development as mandated by Decree of the Republic of Indonesia No 10 the Year 2009 on Tourism (see Figure 2).



**Figure 2: Domains of Tourism Development**

In each domain, several key issues need to be addressed in developing tourism villages to become quality tourism destinations. These recommendations will serve as a framework for the development of strategies and programs which will serve as a transformation plan.

Destination development corresponds to the development of quality tourism products which will lead to high-value tourism experiences. In terms of destination development, strategies should include:

1. Development and improvement of unique attractions to become the village's unique selling point (USP).
2. Optimization of potential resources of the village to transform into tourism products. Local resources, such as natural landscape, local culture and art performance, history, or crafts can be developed into a variety of tourist attractions and activities.
3. Development of tourism product packages to result in unique and valuable experiences.
4. Development of accessibility to tourism villages (from the city center, tourist hub, or other tourist attractions/destinations)
5. Enhancement of quality of tourism accommodation, amenities, and tourism facilities.

Quality of human resources is crucial to be able to plan and execute development strategies in tourism villages. Likewise, institutional development is important since a tourism village is not a personal business; instead, it involves community and village society. In the area of human resource and institutional development, strategies should include:

1. Enhancement of managerial capacity and technical skills in managing tourism villages.
2. Enhancement of leadership and innovation capacity of the leaders of community or leader of a tourism village.
3. Enhancement of community's capacity in tourism village's activities as well as in tourism development in general to broaden community's involvement in tourism villages' activities. Entrepreneurship and a variety of skills, such as cooking, craft-making, hospitality, or tour leading skills, can become themes in capacity-building strategies.
4. Development of appropriate organization format to accommodate and organize community involvement in tourism.
5. Institutional development should include the development of good tourism governance to ensure optimum participation and fair income distribution to members of the community and the implementation of sustainable tourism principles.

Marketing strategies are particularly important since product development must be customer-oriented to result in a high-value experience. Therefore, marketing strategies should include strategies as follows:

1. Development of capacity to conduct marketing research to gain market insights on consumer behavior and preferences.
2. Development of a system to gain customers' feedback (via satisfaction survey).



3. Development of capacity to formulate a marketing plan which includes market segmentation and targeting decisions.
4. Development of capacity to formulate branding strategies and marketing communication strategies.
5. Development of capacity to generate promotional materials via a variety of platforms (website, social media, out-of-home, television, print ads, etc.).
6. Ability to create and engage in marketing partnerships and collaboration with various agents (promotion board, government, or tourism industry).

The fourth domain is the industry. Tourism has become an industry and involves multi-industry players, such as travel agents and tour operators, travel planners, hotels, transportation, restaurants, etc. Therefore, tourism villages should also professionally develop their products and services and create partnerships with other tourism industry players. Therefore, strategies should include standardization of the quality of products and services offered by tourism villages, development of partnerships with other industry players, and development of strategic partnerships with other tourism villages or destinations.

## CONCLUSION

Based on the three aspects which qualify the concept of quality tourism, there are several conclusions drawn from this research. First, based on a review of tourism-related, marketing-related, nature, and sustainable tourism literature, quality tourism should include three aspects 1) quality, high-value, and satisfying tourism products and services, 2) consumers who will 'happily' pay more to enjoy the high-value experience, and 3) aspect of ethics, transparency, and respect towards human, nature, and culture.

Second, research conducted on three tourism villages in Yogyakarta Special Region showed that tourism villages as community-based destinations need elaborate and systematic strategies leading to quality tourism development. Some aspects to be enhanced include the development of a High-Value Experience as Represented by the Price of Tourism Products/Packages, marketing strategies to target High-value Market Segments, and further adoption of sustainable tourism development practices.

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