

# Designing Value Proposition for Indigenous Inspired Spa Strategic Marketing: A Research Proposal



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**Abstract** In Malaysia, the wellness tourism industry is at a growth stage of development and gradually gaining popularity among the public. Indigenous wellness tourism is a relatively new notion for tourism stakeholders, and it has not yet been prioritized to promote local tourism potential. As the demand of recipients of services offered by the indigenous-inspired spa is not a unified whole, spa owners must proportionate the value of their service and products in order to make the indigenous-inspired spa more competitive in the world wellness-related market. To deliver the most outstanding and unique solution by presenting indigenous-inspired spa products and services, the spa owner must address customer expectations to eliminate their necessity as a wanted product and service that might potentially support numerous value propositions for the clients. As a response, this study aims to look into the activities of the indigenous-inspired spa to portray value to its clients. The methodology that will be used is on-site observation and in-depth interviews with Indigenous-inspired spa-goers and indigenous-inspired spa employers of the two selected case studies. Practical operational information on each element can be used to develop the best marketing strategies model for the Malaysian indigenous-inspired spa sector prospects, eventually contributing to indigenous heritage preservation.

**Keywords** Wellness · Tourism · Indigenous-Spa · Marketing

## 1 Introduction

Malaysia is known as a famous vacation destination in Asia as it offers an extensive variety of wellness tourism packages to the market. Generally, spa centers in Asia are designed towards pampering more than healing (Halim et al. 2017). Spa sectors are not a revamped service business in Malaysia today, as the country has seen a rapid rise of numerous spa concepts. Due to various health and wellness tourist packages, this service was recognised and promoted (Yusoff 2010). According to the Malaysian

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intelligent spas study, the overall number of spas has expanded by more than 200 percent since 2002; precisely, more than 170 spas are currently operating and earning an average of RM 1,000 daily (Hashemi and Hosseiniyan 2014). Interestingly, facts revealed that there is much treasure trove of healing modalities available in Malaysia inherited from generation to generation, which has been practiced widely in western countries.

The current trend for spas is to be as creative and unusual as possible. According to the Global Spa Summit (2011), the integration of cultural elements into the spa and wellness experiences stimulated rapid movement within wellness tourism. Malaysians have long been familiar with the types of spas found in bordering Thailand and Indonesia (Wan Yusof 2016). For wellness tourism stakeholders, the indigenous-inspired spa is a relatively new concept, and it has not yet been a priority to boost local tourism potential. Harrison (2013) revealed that indigenous-inspired spa treatments are becoming more sought out. However, academic researches on Malaysian indigenous-inspired spa are still limited in comparison to other conventional spa concepts.

Malaysia Department of Orang Asli (2017) revealed that there is quite a number of health and wellness registered companies owned by Orang Asli, including Imah Enterprise (beauty spa) and Bah Chik Sentuhan Asli, which provide a service of reflexology massage. Apart from that, there is an established luxury spa in Malaysia, which brings the original people concept named Spa Village located at Cameron Highland, Pahang and Tanjong Jara, Dungun, Terengganu. The Spa Village central idea has always been to acknowledge the region's healing culture.

Since the indigenous-inspired spa's service receivers market is not homogeneous, it is imperative that the spa owner or stakeholders target specific types of customers. In this situation, an indigenous-inspired spa must find strategies to become more attractive on the global wellness market as well as compete successfully. In this regard, client-value-providing tactics can facilitate this goal to ensure the spas strive to give fresh and unique solutions to the clients. The previous study addresses the lack of value proposition, which can be adopted for marketing activities for indigenous-inspired spa business (Agrwal and Baranwal 2012). For that reason, the indigenous-inspired spa does not endeavor to cater to the entire market, seeing the futility of such efforts. Hence, this study implements to explore the activities of an indigenous-inspired spa in order to deliver value to its clients.

### ***1.1 Purpose of the Probe and Inquiry Questions***

This study aims to develop the value proposition for the business model in the indigenous inspired spa. This could enable indigenous inspired spa to be more competitive in the wellness tourism industry. Therefore, the inquiry questions for this research are:

- 1) What are the value and concepts of the successful indigenous-inspired spa products or services concerning established standards?
- 2) How the consumer demands influence the market growth of indigenous-inspired spa services and products?
- 3) Why is it important to have indigenous inspired spa in the Malaysia wellness tourism industry?

## 2 Literature Review

### 2.1 *Snapshot of Wellness Tourism*

Wellness tourism was described as any travel aimed at maintaining or improving one's own well-being (Global Wellness Institute 2019). Wellness tourism has grown in popularity in recent years, becoming one of the fastest-growing segments of the hospitality and tourism industries. According to the Global Wellness Institute (2019), wellness tourism expenditures accounted for about 14% of total domestic and international tourism spending in 2012, directly supporting 11.7 million employment and adding 1.8 percent to global gross domestic. A growing number of wellness-conscious customers are incorporating healthy habits and activities into their vacations, in part to counteract a plethora of unpleasant travel-related health impacts, including jet lag, inadequate sleep, and disruption of healthy eating and exercise routines.

As a byproduct, spas and wellness facilities have grown to be significant revenue generators for hotels, resorts, and destinations. The wellness industry and spa sector are marketable and have a bright future ahead of them as economic development, globalization, urbanization, health concerns, and religions become driving forces (Othman et al. 2015). As Foster (Foster 2006) notes, spas have developed into a significant profit center for the hospitality business, particularly in the hotel sector. The spa is a Latin acronym for 'Salus per aquam,' meaning health via water. Additionally, it is classified as both water-based and non-water facilities that provide various therapies, including health, aesthetic, medicinal, and relaxation. Spas are frequently marketed in coastal areas or historic sites due to their geographic dispersion.

### 2.2 *Indigenous-Inspired Spa*

Spa tourism is prevalent around the world. Tourism, wellness, and spa are all relatively new trends that are growing at a rapid pace these nowadays. According to Ell (2015), the wellness industry's rise is fueled by a growing interest in wellness as workplaces become more stressful. The spa sector grew out of a slew of small enterprises and cottage industries that existed in parallel in many different areas globally, primarily based on local bathing, beauty, wellness, and healing activities (Koncul

2012). Sharing culture through storytelling helps preserve cultural traditions, mainly since many cultures rely on oral history (Hodge et al. 2002). Similarly, the concept of oral history is relevant to spa tourism.

Yanping (2006) deems storytelling vital in integrating culture with spa objects such as hot springs or spa temples. Today traditional Indigenous healing is indeed being shared more broadly. As the importance of such practices has been resurrected, the artistry of traditional Indigenous healing has entered a period of increasing popularity (Struthers et al. 2004). While Indigenous treatments are increasingly being incorporated into spa treatments, some opponents contend that cultural issues should be a more essential aspect of tourism planning (Donohoe 2011). However, the literature on wellness tourism, specifically regarding the indigenous-inspired spa market segmentation for the wellness sale indicator, leaves unanswered questions. Theoretically, the indigenous-inspired spa offers various facials, massages, skincare, and body treatments emphasizing Native Malaysian traditional ways and beliefs.

### ***2.3 Value Proposition Canvas***

In strategic business planning, the value proposition concept plays a vital role. Collectively, the value proposition is a statement that summarizes a business strategy and highlights its unique competitive advantage that will deliver to the target customers (Payne and Frow 2014). The dynamic element of value propositions has recently been highlighted, and interest in the notion has resurfaced, mainly due to spa and wellness center operations. According to Tamilmani et al. (2020), companies that focus on niche products or services, offering a unique value proposition to consumers through innovative business models, can reach the road to profitability much earlier.

Value proposition canvas serves as a mechanism to discover the demands of clients and develop the products and services based on the customer expectation (Osterwalder et al. 2014). As illustrated in Fig. 1, the analysis of the value proposition and customer segment is carried out in depth and arranged in six elements namely customer pains, customer gains, customer jobs, products and services, pain relievers as well as gain creators. Some properties could be considered for forming the spa's roadmap to gain the products and services in order to meet consumers' expectations and deliver a distinctive product or service. To meet client requirements in the desired market niche, each value proposition should meet certain unique and specialized criteria.

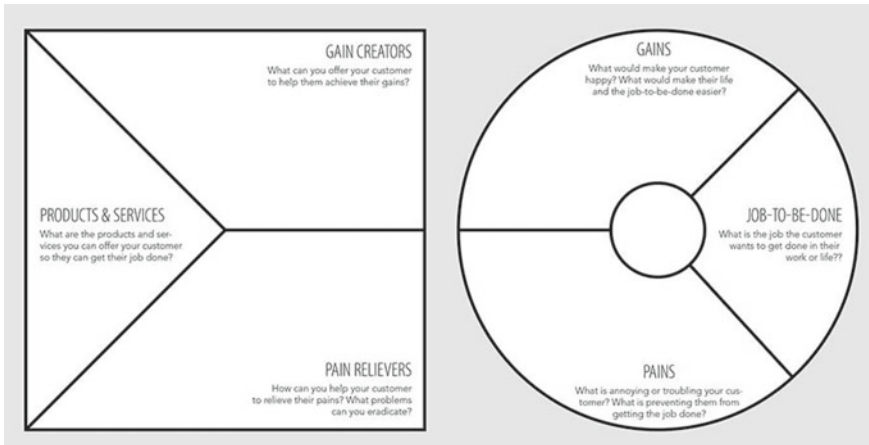


Fig. 1 Value proportion canvas

### 3 Study Framework

Modern spa enterprises provide a wider range of spa services that require them to seek the value of proposition of the client that can help them to acquired new market segments (Szromek and Wybrańczyk 2019). An opportunity to find the optimal form of a value proposition could be to view the spa product from the perspective of a business model (Osterwalder and Pigneur 2010). Thus, learning about the value for the client of this service sector helps create a new business model more adapted to the client’s requirements (Johnston and Lawrence 1991). Particularly significant may be the penetration of elements of the spa product structure and model components in the context of traditional and modern spa offers. The category of value for the client as one of the elements of the business model is a very capacious concept.

The development of the value proposition for the indigenous inspired spa undertaken in this study required a familiarization with the expectations reported by the client and owner. However, this study will extend the analysis of the needs of current owner and customers as well as the potential customer (spa-goers) in spa industry. The purpose framework of this study was formulated to recognize and identify the possibility of key values from the owner and spa-goers of spa enterprise. Consequently, this input can be used to build a competitive advantage by expanding the value proposition for the business model in the indigenous inspired spa and at the same time seeking opportunities for new potential customer segment for this industry that could enable indigenous inspired spa to be more competitive in the wellness tourism industry (Fig. 2).

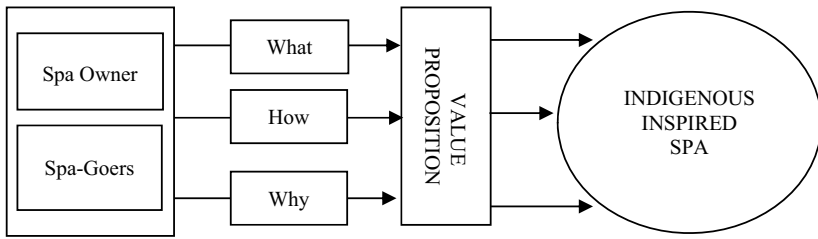


Fig. 2 Proposed study framework

Table 1 Construction of interview protocol based on a Golden Circle Model

Construct	Description of spa owner	Description of spa-goers
What	<ul style="list-style-type: none"> <li>• What does the indigenous inspired spa do?</li> <li>• What value does the indigenous inspired spa provide?</li> </ul>	<ul style="list-style-type: none"> <li>• What does the customer think the indigenous inspired spa does?</li> <li>• What can be done to reinforce the value offered to the customer?</li> </ul>
How	<ul style="list-style-type: none"> <li>• How does the indigenous inspired spa perform its key activities?</li> <li>• How does the indigenous inspired spa provide value?</li> </ul>	<ul style="list-style-type: none"> <li>• How does the customer think the indigenous inspired spa performs its key activities?</li> <li>• How does the indigenous inspired spa communicate its value to the customer?</li> </ul>
Why	<ul style="list-style-type: none"> <li>• Why does the indigenous inspired spa perform these activities?</li> <li>• Why does the indigenous inspired spa provide value?</li> </ul>	<ul style="list-style-type: none"> <li>• Why does the customer think these activities are performed?</li> <li>• Why does the customer value the indigenous inspired spa over its competitors?</li> </ul>

### 4 Proposed Research Methodology

The activities of the indigenous-inspired spa will be investigated using a qualitative research approach in order to deliver value to its clients. A qualitative research approach allows researchers to collect all the information of certain elements, which aids in developing a greater understanding of the circumstances (Hodges 2011). A purposive sampling strategy will be performed in this study. The methodology that will be used is on-site observation, and in-depth interviews with visitors (spa-goers) and employer of the two selected case studies. The first case study is Spa Village Cameron Highland, Pahang, and the second case study is Spa Village Gaya Island, Sabah. The reason for the chosen selected spas as case studies is both claims are indigenous-inspired spas. Each spa has similarities in facilities and service provided.

To construct a compelling value proposition, it will be critical to assess the problem, appraise whether the breakthrough is unique and compelling, measure prospective consumer adoption using the gain/pain ratio, and finally build the value proposition. In order to gather the data, the interview protocol will be developed based on a Golden Circle Model, which consists of three construct namely what,

how and why (Table 1) as well as four fundamental questions such as innovation, marketing, production, and recovery. The thematic analysis and coding will be assisted in analyzing patterns or themes within the collected data.

## 5 Conclusion

The wellness tourism sector is only focused on promoting a single well-known culture due to a lack of information and previous research on the concept and potential market of the indigenous-inspired spa. Spa development and operation are inextricable to cultural and heritage assets. The idea of segmenting the indigenous-inspired spa market is to separate a heterogeneous market into relatively homogeneous divisions. Therefore, the results will benefit the stakeholder and drove organizations in the wellness tourism industry to consider practical operational information on value proposition in developing marketing strategies specifically for the Malaysian indigenous-inspired spa sector. Practicing indigenous traditions through sharing via a spa setting will help or has the potential to promote and preserve indigenous heritage. Besides that, properly planned and managed wellness tourism will offer a means of poverty alleviation and positive community development. This work is the first of its kind exploring spa-goers and spa owner experiences who are involved in the Malaysian indigenous-inspired spa sector.

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