

**Innovative strategy: Utilizing social capital to develop green products****Made Setini<sup>a\*</sup>, Ida Bagus Udayana Putra<sup>a</sup>, Ni Made Wahyuni<sup>a</sup>, Daru Asih<sup>b</sup>, Evi Triandini<sup>c</sup> and I Putu Santikayasa<sup>d</sup>**<sup>a</sup>Faculty of Economics and Business, Warmadewa University, Bali, Indonesia<sup>b</sup>Faculty of Economics and Business, Mercubuana University, Jakarta, Indonesia<sup>c</sup>STIKOM Bali, Institute of Technology and Business, Indonesia<sup>d</sup>Department of Geophysics and Meteorology, IPB University, Bogor, Indonesia**CHRONICLE****ABSTRACT***Article history:*

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This research mainly focuses on developing health tourism in rural areas, especially in Bangli, Bali, which has excellent potential but faces various challenges. Through an approach that involves local community involvement, this research aims to create a tourism experience that supports physical and mental health while empowering local communities. The quantitative research method was used to collect data from 450 respondents in Subaya Village. The sample was taken with the criteria of understanding the concept of wellness tourism, having an empowerment group, and having acquired knowledge about designing wellness tourism-supporting products. After data collection, out of 450 questionnaires distributed, as many as 250 were returned, with 150 answers that met the respondents' criteria. The results of the analysis show that the integration of local cultural practices and natural resources can increase the attractiveness of destinations, as well as provide significant economic and social benefits for the community. The study also highlights the importance of eco-friendly products in enhancing the traveler experience, which can increase visitor satisfaction and loyalty. Through a sustainable health tourism model, it is hoped that synergy can be created between local economic development and environmental conservation.

**1. Introduction**

Developing fitness tourism products in rural areas involves innovative approaches—for example, using local resources such as natural landscapes. Similarly, traditional onsen practices in Japan are being diversified to offer a broader range of fitness services. Adventure tourism, for example, has been shown to improve overall health by addressing these dimensions (Smith, 2021). The traveller health-centric design framework emphasizes the role of tourism and hospitality providers in creating experiences that support optimal health and wellness outcomes. It involves designing services and experiences that meet individuals' health and wellness needs (Yantao et al., 2021). Trip Planning (PTP) can encourage travellers to adopt healthier and more sustainable travel behaviours by using persuasive techniques and tailored itineraries; PTP interventions can significantly influence travel behaviours and increase physical activity (Traskevich & Fontanari, 2018). Designing a fitness travel experience that focuses on mental health and resilience can improve the overall well-being of travellers. It involves creating products and experiences that promote mental health and incorporate elements of natural habitats and indigenous knowledge (Lehto & Lehto, 2019; Chua et al., 2024). High-quality experiences, including healthy food choices and excellent facilities, are essential for improving perceived mental health and overall satisfaction. Local resources and support local communities involving local communities in health tourism can lead to sustainable success by ensuring that tourism activities are aligned with the health needs of tourists. This approach not only distributes wealth more evenly but also increases the authenticity and attractiveness of the destination (Mikiewicz, 2021). Effective models often incorporate multidimensional health frameworks, addressing physical, emotional, spiritual, social, mental, and environmental aspects. This collaboration helps in developing high-quality services and products that meet the health needs of tourists (Calloway, 2011;

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Obermeyer, 2009). Health tourism models that utilize local cultural and natural resources tend to be more successful. This includes integrating traditional practices, such as onsen in Japan, and promoting local heritage and natural beauty, which enhances the overall tourist experience (Calloway, 2011; Sahay & Gupta, 2023). Involving local communities in health tourism can result in significant economic and social benefits, including job creation, cultural preservation, and improved quality of life for residents. This, in turn, creates a positive feedback loop that further increases the appeal of the goal (Gkinton et al., 2023; Sahay & Gupta, 2023). Wellness tourism not only provides benefits to individuals but also contributes to environmental protection and local economic development. It improves quality of life by promoting physical fitness, psychological well-being, and overall life satisfaction (Anju et al., 2023; Drozdowski & Dziekański, 2024). Health tourism drives economic growth by creating jobs and attracting investment in local communities. It supports regional development by promoting local culture and natural resources, which in turn boosts the local economy (Kucukusta & Heung, 2012). The growth of this sector leads to the development of high-quality infrastructure and facilities, which further stimulates economic activity (Drozdowski & Dziekański, 2024). Responsible health tourism practices contribute to environmental sustainability by preserving natural landscapes and promoting eco-friendly initiatives (Kucukusta & Heung, 2012). The integration of health tourism with rural and village tourism helps in the preservation of natural resources and cultural heritage, encouraging sustainable tourism practices (Latif et al., 2019).

## 2. Research Gap

Health tourism research is still very lacking, and there is no deep understanding of the social impact of this integration on local communities, including changes in community structure and social interaction (Hasanah & Driss, 2023). Existing research often uses a general tourism experience scale, which may not capture the unique aspects of wellness tourism (Saputra & Pegi, 2023). While some frameworks such as PMSE (Physical, Mental, Spiritual, Environmental) have been proposed, their validation in various cultural contexts is still limited. For example, the PMSE framework has been validated in Kerala and Thailand, but its application in other regions remains untested (Prayitno et al., 2023). Current models often focus on developing products and services rather than involving consumers in value creation. This lack of customer-centricity is a significant gap, as the authentic wellness experience must involve the active participation of travellers (Ooi et al., 2015). Although various components, such as spas and nature, are identified as part of wellness tourism, integrating them into a cohesive, holistic experience that addresses all dimensions of health (physical, mental, emotional) is still a challenge (Liu et al., 2014). The impact of cultural differences on the effectiveness and perception of wellness tourism models has not been thoroughly investigated. This is critical to designing experiences that are universally engaging yet culturally sensitive (Hasanah & Driss, 2023). Although immediate economic benefits are evident, the long-term socio-economic impacts on local communities, including potential income inequality and cultural shifts, are not well documented (Kucukusta & Heung, 2012). There is limited information on how well policies promoting sustainable health tourism are implemented and their effectiveness in different regions (Drozdowski & Dziekański, 2024). Bangli Regency as one of the areas in Bali has the beauty of beautiful hills and forests and has excellent potential to be developed into a wellness tourism destination. However, currently, there are still many challenges that need to be overcome to optimize this potential. One of the shortcomings is the lack of supporting infrastructure and facilities, such as accommodations, that should be included in the concept of wellness. In addition, promotion and marketing that have not been maximized also hinder tourist interest. Developing wellness tourism in Bangli requires a sustainable approach involving local communities in planning and management. Thus, it can attract visitors, empower the local community, and preserve the environment. If appropriately managed, Bangli can become one of the attractive and highly competitive wellness destinations. This research can introduce a new approach to designing a wellness tourism model incorporating elements of green products, providing insight into how sustainability can be integrated into the tourism experience. With a focus on green products, this research can show how local communities can play an active role in developing sustainable tourism products. This not only empowers the community but also ensures that the profits from tourism return to the community. This research highlights the importance of sustainability in the tourism industry. By prioritizing green products, the resulting wellness tourism model can help preserve the environment and encourage environmentally friendly practices among managers and tourists. This research can improve the local economy by creating innovative and sustainable tourism products. Green products offered in the context of wellness tourism can attract new market segments and increase income and employment for the community. This research can provide insights into how green products contribute to travelers' wellness experiences, improving their physical, mental, and emotional well-being. This can lead to a more meaningful and memorable experience for visitors, which in turn can increase loyalty and recommendations.

## 3. Literature

### 3.1 Integrated Systems Theory

Integrated Systems Theory emphasizes the importance of integrating various resources and stakeholder involvement to create a balanced supply between demand and supply. Expanding the range of tourism products to serve different market segments can improve performance, such as experiential marketing, can create a unique and memorable experience for travelers, thereby improving product performance (Mogollón et al., 2020). Adopting a diversification strategy to make tourism offerings more elastic and tailored to the demands of individual travelers can be beneficial. This approach has been

effective in medical tourism, where quality improvement and accreditation have increased competitiveness (Gredičak & Demonja, 2020). Balancing green performance with economic performance through optimal green technology investments and strategic decisions can attract tourists with sustainable tourism preferences, thereby improving overall performance (Ma et al., 2024). Understanding and targeting specific market segments, such as luxury tourism or niches, can improve temporary performance and improve long-term well-being (Gredičak & Demonja, 2020). Conducting a thorough environmental analysis and adapting strategies to suit changing conditions can help promote tourism destinations effectively (Giannoni et al., 2020).

### 3.2 Network Theory

This theory can help explain how destinations can leverage social capital to develop and market environmentally friendly products effectively, with a focus on interactions within social networks. Social capital, which consists of social networks, norms, and beliefs, plays an important role in sustainable tourism development. It supports community engagement and utilization of local resources, which is crucial for green initiatives (Hasanah & Driss, 2023; Prayitno et al., 2023). In ecotourism, social solid capital facilitates cooperation among members of society and promotes pro-environmental behavior, which is essential for developing environmentally friendly products (Hasanah & Driss, 2023; Ooi et al., 2015). Community-based ecotourism (CBET) benefits from a high level of cognitive and social capital, encouraging citizens to adopt environmentally friendly practices. This involvement is crucial for the success of eco-friendly products in health tourism (Ooi et al., 2015). Developing wellness tourism can harness social capital by encouraging community participation and grassroots initiatives, leading to sustainable and environmentally friendly tourism practices (Liu et al., 2014). Social capital supports environmental sustainability and provides economic benefits for local communities. This dual advantage can motivate people to invest in environmentally friendly health products (Ooi et al., 2015; Prayitno et al., 2023). The integration of social capital into tourism laws can enhance the role of small and medium-sized enterprises (MSMEs) in promoting environmentally friendly products, ensuring legal protection, and increasing global competitiveness (Saputra & Pegi, 2023). Emphasizes the importance of collaboration with consumers in the innovation process to meet the expectations and needs of visitors, which involves a wide range of stakeholders, including local businesses, government agencies, and community groups, to develop and manage wellness tourism destinations effectively (Soteriades & Avgeli, 2007). Developing networks and clusters to encourage collaboration among stakeholders is vital for the successful development of health tourism destinations (Soteriades & Avgeli, 2007).

### 3.3 Value Co-Creation Theory

The Value Creation Theory highlights the importance of engaging consumers in the innovation process to create products that align with their expectations and fitness ideology. Encourage tourists to actively participate both physically and mentally in fitness activities. This increases the value and satisfaction they feel (Hekmat et al., 2022). Tailor the wellness tourism experience to meet individual preferences, which can be achieved by involving travelers in the design and execution of activities (Nguyen, 2024; Rääkkönen & Grénman, 2017). Adopt a service-dominant logic approach in which consumers and providers share participation in value creation, leading to better alignment with fitness ideology (Perera et al., 2017; Tao et al., 2022). Shift from simply developing new products to creating immersive and transformative experiences that align with health ideology (Xie et al., 2022; Zători, 2017). Integrating interactive and engaging activities such as guided tours has been shown to provide a more consistent and enriched experience than unguided ones (Rääkkönen & Grénman, 2017). Offers a holistic approach that combines health, fitness, recreation, and cultural activities to meet the comprehensive needs of fitness travelers (Prebensen & Xie, 2017).

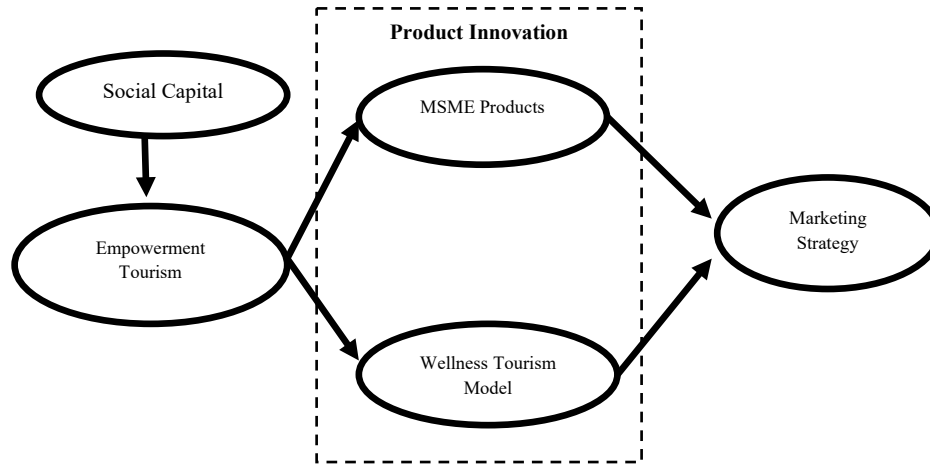
### 3.4 Sustainability Theory

Sustainability Theory examines how social capital can drive innovation in eco-friendly products and sustainability in the fitness tourism industry. Applying health-focused design principles in rural tourism, such as promoting a healthy environment, lifestyle, and image, while respecting local culture and identity (Phuthong et al., 2021). Involve local communities in offering tourism activities and developing health tourism projects. This approach ensures sustainability and is aligned with the health needs of potential tourists (Rodrigues et al., 2010). Conduct surveys to understand travellers' preferences for health tourism products and their willingness to pay for repairs. Integrating various wellness activities, such as hiking, physical activity, and spiritual upliftment, to create a holistic tourism offering that appeals to a broad audience (Sharafuddin & Madhavan, 2020).

## 5. Research Methods

This study uses a quantitative method, which aims to obtain comprehensive data on the potential of wellness tourism in Subaya Village. The research was conducted in Surabaya Village, Bangli Kintamani Bali, which became the object of research to identify strengths, weaknesses, opportunities, and threats in the development of wellness tourism. Data Collection Techniques. Field Observation: The researcher makes in-depth observations of the condition of the village, including natural resources, infrastructure, and existing tourism products. This observation aims to identify the strengths and weaknesses of the village. The researcher conducted interviews with various parties, namely tourism development, community

leaders in the village, and local people who know the potential of village tourism. This interview aims to gather information on potential strengths and opportunities, as well as weaknesses and threats facing the village. The questionnaire was compiled to collect data related to the variables studied, this questionnaire was distributed directly and online to the public. The population in this study is the entire community of Subaya Village, Bangli Kintamani, which totals 450 respondents. The sample was taken with the criteria of understanding the concept of wellness tourism, already having an empowerment group and having gained knowledge about designing wellness tourism support products. After data collection, of the 450 questionnaires distributed, as many as 250 questionnaires were returned, with 150 answers that met the respondents' criteria. The data obtained from interviews, observations, and questionnaires will be analyzed to obtain a model of the concept of wellness tourism design that utilizes human resources in the village. The resulting model framework includes social capital, empowerment related to tourism, development of MSME products and tourism products, wellness tourism model design, and marketing strategies.



**Fig. 1.** Research Concept Framework  
Source: Processed by the author (2024)

**6. Results and Discussion**

*6.1 Result*

*Validity and Reliability Analysis*

The parameter test carried out is the test of the lambda parameter ( $\lambda_i$ ). This test is aimed at finding out the validity of the data of each research indicator. For the testing of the lambda parameter ( $\lambda_i$ ), a *standardized estimate (regression weight)* value in the form of a *loading factor* is used, as shown in Table 1 below. If the value of lambda ( $\lambda_i$ ) > 0.50; C.R.> t table = 2.000 and Probability <  $\alpha$  = 0.05; then *the loading factor* parameter lambda ( $\lambda_i$ ) the indicator is declared significant (Ferdinand, Agusty, 2002:97) This means, the indicator data is valid with the corresponding latent variable. For this purpose, the Table ... The following contains *loading factor/lambda* ( $\lambda_i$ ), C.R., and Probability (P). While the amount  $\alpha$  is taken 5% = 0.05 and T-table = 2,000.

Table 1 shows that all indicators have a standardized estimate (regression weight) represented by a loading factor or lambda ( $\lambda$ ) of at least 0.5. Additionally, every indicator has a critical value of C.R greater than 2.00 and a probability of less than 0.05 (\*\*\*). Therefore, we can conclude that all indicators are valid and effectively represent the latent variables. This study investigates the factors influencing wellness tourism development and the success of MSME products, concentrating on five main constructs: Social Capital (X1), Tourism Empowerment (X2), Designing Wellness Tourism (M1), MSME Products (M2), and Marketing Strategy (Y).

**Table 1**  
**Validity and Reliability Analysis**

Indicator Scale Item	Reference	Lambda Value (Std. Loading)	Critical Ratio $\geq 1.96$
<i>Social capital (X1)</i>			
1. Local communities are actively involved in planning health tourism activities	Bhandari & Yasunobu, 2009; Lee et al., 2011; Lillbacka, 2006	0.867	8.975
2. There is good cooperation between the community, the government, and tourism organizations		0.796	8.458
3. Tourism products integrate traditional practices and local wisdom		0.907	10.791
4. Health tourism activities create new jobs for the community		0.792	8.144
5. The development of health tourism improves social interaction and the quality of life in the community		0.805	8.289

**Table 1**  
Validity and Reliability Analysis (Continued)

Indicator Scale Item	Reference	Lambda Value (Std. Loading)	Critical Ratio $\geq 1.96$
<i>Tourism Empowerment (X2)</i>			
1. Empower communities to participate in tourism activities, increase local economic growth and create jobs.	Adebayo & Butcher, 2023; Mendoza-Ramos & Prideaux, 2018; Riana & Fajri, 2024; Shafieisabet & Haratifard, 2020	0.832	8.352
2. Community empowerment supports the achievement of village development goals		0.808	6.993
3. Community members feel that increasing confidence and motivation in tourism development.		0.867	7.894
4. Tourism strengthens social bonds and collective identity among community members.		0.799	7.878
5. Empowerment can implement tourism practices to preserve the local environment.		0.850	8.751
<i>Designing Wellness Tourism (M1)</i>			
1. Wellness tourism destinations must be easily accessible with adequate transportation options	Adebayo & Butcher, 2023; Mendoza-Ramos & Prideaux, 2018; Riana & Fajri, 2024; Shafieisabet & Haratifard, 2020	0.952	0.789
2. Cleanliness, safety, and preserved natural beauty enhance the wellness experience		0.831	9.133
3. Offer a combination of conventional and alternative healthcare to meet travelers' expectations		0.904	11.080
4. The quality of the experience, including entertainment and aesthetic appeal, contributes to traveler satisfaction		0.803	9.459
<i>SMES Product (M2)</i>			
1. Variety of product types offered by MSMEs	Ayhan & Oztemel, 2011; Phan & Kocaoglu, 2014; Välimäki et al., 2004	0.884	14.111
2. Percentage of revenue from new products		0.821	9.810
3. The level of customer satisfaction with MSME products		0.922	8.456
<i>Marketing Strategic (Y)</i>			
1. Increase awareness about wellness destinations through digital marketing campaigns	Bayev et al., 2020; Marques et al., 2024; Phuthong et al., 2022	0.816	10.721
2. Partner with health influencers to expand the reach of promotions		0.849	8.948
3. Provide attractive promotional packages to encourage tourists to try wellness services		0.848	8.776
4. Create informative content about the benefits of wellness to attract visitors		0.841	9.576
5. Collect and promote positive testimonials to build trust and credibility		0.787	8.789

Source: Prepared by the Author (2024)

### Analysis of Goodness of Fit

According to the test criteria, including Chi-square ( $\chi^2$ ), Relative Chi-square ( $\chi^2/df$ ), RMSEA, GFI, AGFI, TLI, and NPI, along with the Goodness of Fit values obtained from Amos version 16.0 as illustrated in the image above, the following table can be created.

**Table 2**  
Assessment of Goodness of Fit

Goodness of Fit Metric	Threshold Value	Model Outcomes	Details
Chi-square ( $\chi^2$ )	Expected small	460.020	Not good
Relative Chi-square ( $\chi^2/df$ )	$\leq 3.00$	2.255	Good
Probability	$> 0.05$	0.000	Not good
RMSEA	$\leq 0.08$	0.077	Good
GFI	$\geq 0.90$	0.913	Good
AGFI	$\geq 0.90$	0.815	Marginal
NPI	$\geq 0.95$	0.660	Not good
TLI	$\geq 0.95$	0.697	Not good

Considering the cut-off values and goodness-of-fit results presented in Table 3, three out of the eight criteria have been satisfied: the Relative Chi-Square ( $\chi^2/df$ ), RMSEA, and GFI. Additionally, one criterion, AGFI, is marginally acceptable. Since three criteria meet the goodness-of-fit requirements and one is marginal, the model is deemed to have good fit, as stated by Solimun (2004:71). Therefore, no further modifications are necessary.

### Analysis of Structural Equation Models

The structural equations of Social Capital, Empowerment Tourism, MSME Products, Wellness Tourism Model, and Marketing Strategy are as follows.

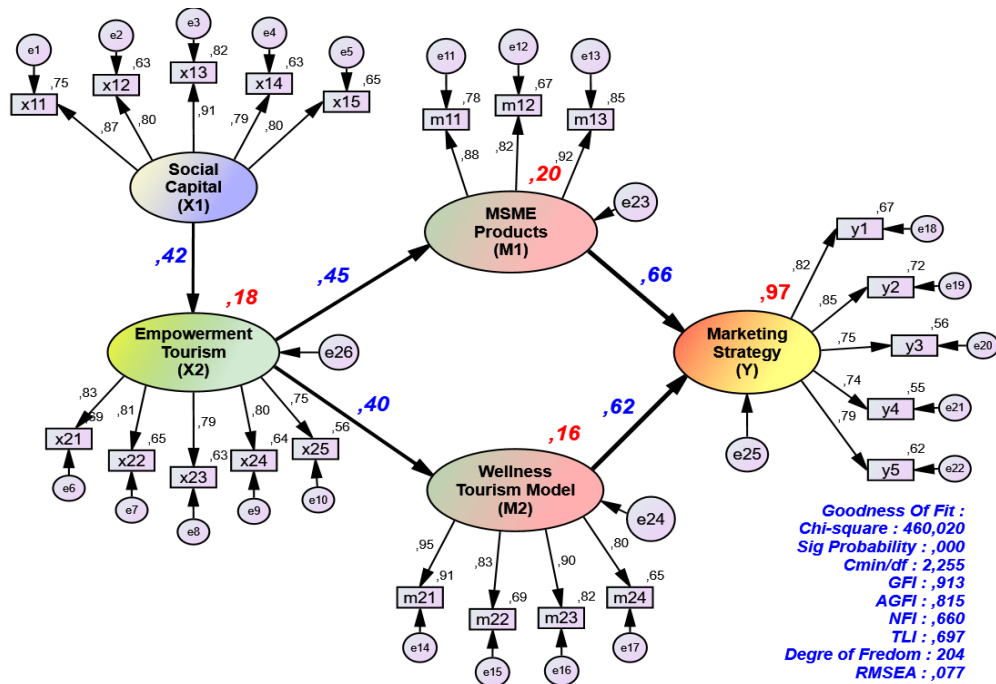
**Table 3**  
Structural Equations

<b>H1</b>	Direct Effects of Social Capital (X1) on Empowerment Tourism (X2)	$X2 = \gamma_{x2x1} X1 + e1$
<b>H2</b>	Direct Effects of Empowerment Tourism (X2) on MSME Products (M1)	$M1 = \gamma_{m1x2} X2 + e2$
<b>H3</b>	Direct Effects of MSME Products (M1) on Marketing Strategy (Y)	$M2 = \gamma_{m2x2} X2 + e3$
<b>H4</b>	Direct Effects of MSME Products (M1) on Marketing Strategy (Y)	$Y = \gamma_{ym1} M1 + e4$
<b>H5</b>	Direct Effects of Wellness Tourism Model (M2) on Marketing Strategy (Y)	$Y = \gamma_{ym2} M2 + e4$
<b>H6</b>	Indirect Effects of Empowerment Tourism (X2) on Marketing Strategy (Y) through MSME Products (M1)	$Y = \gamma_{ym1x} \gamma_{m1x2} X2 + e4$
<b>H7</b>	Indirect Effects of Empowerment Tourism (X2) on Marketing Strategy (Y) through Wellness Tourism Model (M2)	$Y = \gamma_{ym2x} \gamma_{m2x2} X2 + e4$

The model was tested using the regression coefficient (regression\_weight =  $\gamma$ ) for the latent variables Social Capital (X1), Empowerment Tourism (X2), MSME Products (M1), and Wellness Tourism Model (M2) against Marketing Strategy (Y). Based on the regression weight calculation results, an output table can be made as presented in Table 4.

**Table 4**  
The output results

			Standard Estimate	C.R.	P	Information
X2	←	X1	.424	3.331	***	Significant
M1	←	X2	.451	3.500	***	Significant
M2	←	X2	.397	3.097	.002	Significant
Y	←	M1	.664	5.760	***	Significant
Y	←	M2	.616	5.562	***	Significant



**Fig. 2.** Structural Equation Model

**c) Hypothesis Testing**

From the Table 4e, namely the Regression Weight Direct Effects Table, and the Indirect Effects Table, it can be seen:

1. The direct effect of the Social Capital (X1) variable on Empowerment Tourism (X2) has a standardized estimate (regression weight) of 0.424, with a critical ratio (C.R.) of 3.331 and a probability of less than 0.01. The C.R. value of 3.331, which exceeds 2.000, along with a probability of \*\*\* < 0.05, indicates that the impact of Social Capital (X1) on Empowerment Tourism (X2) is significant. This implies that there is a noteworthy positive effect of Social Capital (X1) on Empowerment Tourism (X2); as Social Capital (X1) increases, Empowerment Tourism (X2) also rises.
2. The direct effects of the Empowerment Tourism (X2) variable on MSME Products (M1) have *standardized estimate (regression weight)* by 0.451, with C.R. (Critical ratio = identical to the t-calculated value) of 3,500 at *Probability* = \*\*\*. The C.R. value of 3,500 > 2,000 and *Probability* = \*\*\* < 0.05 indicates that the influence of the Empowerment Tourism (X2) variable on MSME Products (M1) is **Significant**. This means that there is a significant positive influence of Empowerment Tourism (X2) on MSME Products (M1). The higher the Empowerment Tourism (X2), the higher the MSME Products (M1).
3. Direct effects of the Empowerment Tourism (X2) variable on the Wellness Tourism Model (M2) has a *standardized estimate (regression weight)* by 0.397, with C.R. (Critical ratio = identical to the t-count value) of 3.097 at *probability* = 0.002. The C.R. value of 3.097 > 2.000 and *Probability* = 0.002 < 0.05 indicate that the influence of the Empowerment Tourism (X2) variable on the Wellness Tourism Model (M2) is **Significant**. This means that Empowerment Tourism (X2) significantly influences the Wellness Tourism Model (M2). The higher the Empowerment Tourism (X2), the higher the Wellness Tourism Model (M2).

4. The direct effect of the MSME Products (M1) variable on Marketing Strategy (Y) shows a standardized estimate (regression weight) of 0.664, with a critical ratio (C.R.) of 5.760 and a probability of \*\*\*. The C.R. value of 5.760, which is greater than 2.000, along with a probability of \*\*\* < 0.05, indicates that the impact of MSME Products (M1) on Marketing Strategy (Y) is significant. This suggests a noteworthy positive influence of MSME Products (M1) on Marketing Strategy (Y); as MSME Products (M1) increase, so does Marketing Strategy (Y).
5. Variable direct effects of the Wellness Tourism Model (M2) towards Marketing Strategy (Y) have *standardized estimate (regression weight)* by 0.616, with C.R. (*Critical ratio* = identical to the t-calculated value) of 5.562 at *Probability* = \*\*\*. The C.R. value of 5.562 > 2.000 and *Probability* = \*\*\* < 0.05 indicates that the influence of the variable Wellness Tourism Model (M2) towards Marketing Strategy (Y) is **Significant**. This means that the Wellness Tourism Model (M2) has a significant favorable influence on Marketing Strategy (Y). The higher the Wellness Tourism Model (M2), the higher the Marketing Strategy (Y).
6. The magnitude of the indirect influence (*indirect effects*) variable Empowerment Tourism (X2) towards Marketing Strategy (Y) through MSME Products (M1) has an indirect *standardized estimate (regression weight)* as  $\gamma_{yM1} \times \gamma_{M1X2} = 0.664 \times 0.451 = 0.299$ . This means that there is a positive influence on Empowerment Tourism (X2) towards Marketing Strategy (Y) through MSME Products (M1). The higher the Empowerment Tourism (X2) and higher Marketing Strategy (Y) through MSME Products (M1).
6. The magnitude of the indirect influence (*indirect effects*) variable Empowerment Tourism (X2) towards Marketing Strategy (Y) through the Wellness Tourism Model (M2) has an indirect *standardized estimate (regression weight)* as  $\gamma_{yM2} \times \gamma_{M2X2} = 0.616 \times 0.397 = 0.245$ . This means that there is a positive influence on Empowerment Tourism (X2) towards Marketing Strategy (Y) through the Wellness Tourism Model (M2). The higher the Empowerment Tourism (X2), the higher the Marketing Strategy (Y) through the Wellness Tourism Model (M2).

#### d) Impact of Mediation

##### Mediation test (Sobel Test)

The mediation test is used to determine whether the relationship through the mediation variable is significantly able to act as a mediator in the relationship or not (Basuki, 2021). The mediation test uses the z-test with the following formula.

$$z = \frac{a \times b}{\sqrt{(b^2 SE_a^2) + (a^2 SE_b^2)}}$$

where:

a: regression coefficient of the independent variable on the mediating variable,

b: regression coefficient of the mediating variable on the dependent variable,

SEa: standard error of the estimate for the effect of independent variables on the mediating variable,

SEb: standard error of the estimate for the effect of the mediating variable on the dependent variable.

If the value of z is  $\geq 1.96$ , the mediating variable is considered to mediate the effect of the independent variable on the dependent variable. Conversely, if  $z < 1.96$ , the mediating variable is deemed not to mediate this influence. To assess the mediation of the MSME Products variable and the Wellness Tourism Model variable regarding the impact of the Empowerment Tourism variable on Marketing Strategy, the following table displays the direct effects from the SEM AMOS analysis results.

**Table 5**  
Mediation Test Results

			Estimate	S.E.	C.R.	P	Label
<b>X2</b>	←	X1	.361	.108	3.331	***	par_17
<b>M1</b>	←	X2	.497	.142	3.500	***	par_18
<b>M2</b>	←	X2	.472	.152	3.097	.002	par_19
<b>Y</b>	←	M1	.512	.089	5.760	***	par_20
<b>Y</b>	←	M2	.441	.079	5.562	***	par_21

Source: Processed by the author (2024)

Based on the Table in the data, Hypothesis 6 and Hypothesis 7 can be tested as follows:

1. Hypothesis testing 6 (H<sub>6</sub>): MSME Products (M1) mediates the influence of Empowerment Tourism (X2) on Marketing Strategy (Y).

From the results of Table 4, it is known:

a: regression coefficient of the independent variable (X2) on the mediating variable (M1) = 0.497

b: regression coefficient of the mediating variable (M1) on the dependent variable (Y) = 0.512

SEa: standard error of the estimate for the effect of the independent variable (X2) on the mediating variable (M1) = 0.142

SEb: standard error of the estimate for the effect of the mediating variable (M1) on the dependent variable (Y) = 0.089

When included in the formula, the magnitude of the Sobel coefficient value can be calculated as follows:  $z =$

$$\frac{a \times b}{\sqrt{(b^2 SE_a^2) + (a^2 SE_b^2)}} = \frac{0,497 \times 0,512}{\sqrt{(0,512^2 \times 0,142^2) + (0,497^2 \times 0,089^2)}} = \frac{0,2545}{\sqrt{0,0053 + 0,0019}} = \frac{0,2545}{0,0851} = 2,9906$$

The calculation of the Sobel coefficient yielded a value of  $z = 2.9906$ , which is greater than 1.96. Therefore, we can conclude that the hypothesis stating that MSME Products (M1) mediates the effect of Empowerment Tourism (X2) on Marketing Strategy (Y) is confirmed. This indicates that MSME Products (M1) indeed mediates the relationship between Empowerment Tourism (X2) and Marketing Strategy (Y).

2. Hypothesis Testing 7 (H<sub>7</sub>): The Wellness Tourism Model (M2) mediates the influence of Empowerment Tourism (X2) on Marketing Strategy (Y).

In the Table above it is known:

a: regression coefficient of the independent variable (X2) on the mediating variable (M2) = 0.472

b: regression coefficient of the mediating variable (M2) on the dependent variable (Y) = 0.441

SEa: standard error of the estimate for the effect of the independent variable (X2) on the mediating variable (M2) = 0.142

SEb: a standard estimate of error on the effect of the mediating variable (M2) on the bound variable (Y) = 0.079

When included in the formula, the magnitude of the Sobel coefficient value can be calculated as follows:  $z =$

$$\frac{a \times b}{\sqrt{(b^2 SE_a^2) + (a^2 SE_b^2)}} = \frac{0,472 \times 0,441}{\sqrt{(0,441^2 \times 0,152^2) + (0,472^2 \times 0,079^2)}} = \frac{0,2082}{\sqrt{0,0045 + 0,0014}} = \frac{0,2082}{0,0767} = 2,7137$$

The Sobel coefficient calculation produced a value of  $z = 2.7137$ , which exceeds 1.96. As a result, we can conclude that the hypothesis asserting that the Wellness Tourism Model (M2) mediates the effect of Empowerment Tourism (X2) on Marketing Strategy (Y) is validated. This confirms that the Wellness Tourism Model (M2) effectively mediates the relationship between Empowerment Tourism (X2) and Marketing Strategy (Y).

## 6.2 Discussion

This study builds a conceptual model to answer research questions about social capital, and wellness tourism model design and how the marketing strategy involves the role of empowerment related to tourism, farmer product development, and wellness tourism model design.

### *Social Capital and Tourism Empowerment*

- 1) Integrated Systems Theory focuses on the importance of integrating various resources and stakeholder engagement to create a balanced offering in tourism. In the context of this study, the application of this theory is very relevant to understanding the social impact of the integration of health tourism in Subaya Village. By identifying the various elements that affect wellness tourism—such as natural resources, local culture, and social capital—this research can illustrate how all of these components are interrelated and contribute to the tourist experience and the well-being of local communities. The results of research that reveal changes in community structure and social interaction can be analyzed through the lens of this theory. For example, if the integration of health tourism increases collaboration among community members and strengthens social bonds, it shows that an integrated system can create added value for both tourists and local communities. On the other hand, if tourists bring changes that disrupt local traditions and cause tension, this indicates an imbalance in the system. By utilizing the Integrated Systems Theory, this research can not only understand the dynamics that occur but also recommend more holistic and sustainable solutions to manage wellness tourism, so that the benefits can be felt equally by all parties involved.
- 2) In the development of tourism product design that combines traditional practices with modern fitness trends, this research will apply Network Theory. This theory explains how social networks—which consist of relationships between individuals, groups, and organizations—can be optimized to create synergies in the development of tourism products. Field results show that the existence of local resources such as lakes and landscapes has great potential to be developed, but there is no clear methodology to integrate them effectively. By utilizing Network Theory, this research will map and analyze a network of stakeholders, including local communities, tourism entrepreneurs, and governments, to identify collaboration opportunities that can strengthen the development of innovative and sustainable tourism products.
- 3) Exploring how the active involvement of local communities in networking can strengthen cultural preservation and economic sustainability. For example, by applying traditional practices in modern wellness services, tourism products can create added value that is not only attractive to tourists but also respects and preserves local cultural heritage. By



building a strong network among various stakeholders, the study aims to develop a clear and structured methodology, so that the integration of local resources into health tourism products can be carried out effectively and sustainably. The results are expected to not only increase the attractiveness of the destination but also empower local communities and ensure more equitable economic benefits. The lack of a deep understanding of how specific elements of a natural and serene environment, such as flora, fauna, and local culture, contribute directly to the restorative experience in health tourism, as well as how these variables can be measured and evaluated to improve the traveler experience.

- 4) The involvement of local communities in the development and management of health tourism is essential to achieve tourism sustainability. This research will use Sustainability Theory to evaluate how community participation can support sustainable tourism practices. The field results show that local communities have a deep knowledge of their natural and cultural resources, which can be leveraged to create attractive tourism products. By involving communities at every stage, from planning to implementation, positive impacts on sustainability, such as cultural preservation and improved economic well-being, can be effectively measured.
- 5) Furthermore, to identify and integrate the health needs of travelers, this research will utilize marketing strategies based on a sustainable approach. Through market analysis and surveys of travelers, the research will collect data on their preferences and expectations regarding the wellness experience. This information will be used to design programs that meet the needs of tourists and strengthen local community involvement. For example, wellness products that combine traditional practices with modern services can be effectively marketed to attract the segment of tourists who care about the environment. Thus, Sustainability Theory and the right marketing strategy will allow the development of a health tourism model that is not only sustainable but also relevant to market needs, creating synergies between local communities and tourists for mutual benefit.
- 6) In the development of wellness tourism design, product innovation for Micro, Small, and Medium Enterprises (MSMEs) serves as a crucial mediator. Complete mediation is achieved when the relationship between the independent variable (MSME product innovation) and the dependent variable (wellness tourism design) is entirely accounted for by the mediator variable (product innovation). This indicates that any positive impact of product innovation on wellness tourism design occurs not directly, but rather through enhancements in the quality and sustainability of the products provided by MSMEs.
- 7) Innovation Theory explains that product innovation can increase attraction and add value for tourists. In this context, MSMEs that develop innovative products—such as wellness services based on local culture, healthy food, or unique experiences—can improve the overall wellness tourism design. When these products are integrated into travel offerings, they attract more visitors and create a more meaningful experience, increasing traveler satisfaction. On the other hand, the Sustainability Theory supports the idea that to achieve sustainability in wellness tourism, there must be collaboration between MSMEs and local communities. Continuous product innovation will ensure that the practices used not only meet the needs of tourists but also preserve the local environment and culture. In this case, MSMEs that focus on sustainable innovation can serve as a liaison that integrates local values into the design of wellness tourism, providing a more significant positive impact on tourism sustainability.

## 7. Conclusion

This study shows that product innovation significantly mediates in the development of wellness tourism design. Through an empowerment approach, the success of wellness tourism design becomes dependent on the ability of MSMEs to create innovative and sustainable products that meet the needs of tourists and strengthen the preservation of local culture and environment. By utilizing innovation theory and Sustainability Theory, this research underscores the importance of collaboration between MSMEs and local communities in creating holistic and exciting tourism experiences.

Integrating product innovation in wellness tourism design can increase the attractiveness of destinations, increase tourist satisfaction, and provide more significant economic benefits for local communities. Therefore, to achieve sustainability in wellness tourism, stakeholders need to work together in developing innovative and sustainable products. This research recommends developing policies that support MSME innovation and community involvement in the tourism industry to create a mutually beneficial and sustainable ecosystem.

### *Managerial Implications*

This research presents several significant implications for village development, particularly concerning the design of sustainable wellness tourism models. First, the findings indicate that the involvement of local communities in the development of tourism products is crucial for creating an authentic and engaging experience for visitors. Therefore, villages should promote active participation from all community members in the planning and execution of tourism activities. By engaging the community, villages can help preserve local culture while ensuring that the economic benefits of tourism are distributed equitably among all social strata. Second, villages can leverage their existing natural and cultural resources as valuable assets for creating innovative tourism products. The research highlights the need for MSME product innovation that is grounded in local traditions. Consequently, villages should support MSMEs through training, access to funding, and assistance with product promotion. This approach will help develop appealing and sustainable products for tourists. Third, villages need to implement marketing strategies that emphasize the uniqueness and sustainability of their tourism offerings. By showcasing local values and sustainable practices, villages can attract environmentally conscious tourists, thereby boost-

ing visitation and revenue. Effective marketing can also enhance the village's reputation as an eco-friendly tourism destination and a cohesive community. Overall, the implications of this study suggest that the development of wellness tourism in villages should be inclusive and sustainable. This involves engaging local communities, utilizing existing resources, and applying effective marketing strategies. Such efforts will not only enhance the village's economic well-being but also reinforce its cultural and environmental identity.

### *Limitations and Future Research*

The limitations of this study lie in the narrow focus on Subaya Village, which may not fully reflect the condition of wellness tourism in other areas, as well as the potential for bias in data collection derived from interviews and surveys. For future research, it is suggested that researchers explore more wellness tourism locations and contexts so that the results can be compared more broadly. In addition, the analysis of the long-term impact on community well-being and cultural preservation needs to be deepened, and the development of more specific measuring tools for health tourism experiences must be carried out. This more comprehensive approach is expected to provide deeper insights into the dynamics of wellness tourism and its contribution to sustainability.

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