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The Package Tour Paradox: Contrasting Economic Yields of Mass versus Independent Travelers in Emerging Island Destinations

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Abstract

Post-pandemic tourism recovery necessitates a strategic pivot from arrival statistics to economic yield. This study investigates the micro-economic behaviour of tourists in Belitung, a burgeoning archipelagic destination in Indonesia, by juxtaposing the expenditure patterns of package tour participants against Free Independent Travelers (FITs). Utilising a cross-sectional survey of 399 respondents selected via purposive sampling, the research uncovers a significant expenditure gap. While domestic package tourists demonstrate higher spending stability, a striking paradox emerges within the international segment: independent travellers contribute nearly three times the direct economic yield (IDR 13.5 million) compared to their package-tour counterparts (IDR 5 million). The data reveal that while package tourism minimises leakage through prepaid structures, it limits local economic injection. Conversely, independent travellers exhibit high elasticity in discretionary spending, particularly in local transport and experiential services. These findings challenge the traditional reliance on mass-package models and advocate for a "high-value" strategy supported by digital payment infrastructure and experience-based product diversification.

Keywords: Tourism Yield; Free Independent Travelers (FIT); Destination Resilience; Tourist Expenditure; Post-Pandemic Recovery.

INTRODUCTION

The trajectory of global tourism scholarship has undergone a seismic shift in the wake of the COVID-19 pandemic. The pre-pandemic fixation on "overtourism" and volume optimisation has largely been supplanted by a critical discourse on "tourism reset," where the strategic imperative is no longer merely recovering arrival numbers but fundamentally restructuring the economic yield per visitor (Gössling et al., 2020; Sigala, 2020). For emerging archipelagic economies, this paradigm shift precipitates a complex policy dilemma: should destination managers continue to subsidise mass package tourism to secure predictable footfall, or should they cultivate the ecosystem for Free Independent Travelers (FITs), a segment increasingly posited as a driver of higher local economic resilience?

Historically, tourism performance has been evaluated through macro-economic aggregates such as total international arrivals and direct contribution to Gross Domestic Product (GDP). However, these monolithic metrics often obscure the granular micro-dynamics of expenditure, particularly the phenomenon of "economic leakage" (Wall & Mathieson, 2006). Theoretical models in tourism economics have long debated the trade-off between organised mass tourism and independent travel. While package tours reduce transaction costs and mitigate perceived risks for travellers—thereby guaranteeing volume for large-scale operators—they are frequently associated with high leakage rates, as a significant portion of expenditure is captured by external intermediaries and pre-paid logistics rather than circulating within the host community (Mitchell & Ashley, 2010; Spenceley et al., 2009).

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Conversely, the "Experience Economy" discourse suggests that independent travellers, though ostensibly less predictable, may generate a higher multiplier effect. By bypassing consolidated supply chains, FITs are compelled to engage directly with local micro-enterprises for accommodation, transport, and unscripted recreational activities (Dolnicar, 2005; Hyde & Lawson, 2003). Yet, empirical evidence supporting this assertion in the context of developing island destinations remains fragmented. Most existing studies focus on mature destinations in Europe or the Caribbean, leaving a paucity of data regarding expenditure behaviours in the nascent post-mining tourism economies of Southeast Asia.

Belitung Regency, a UNESCO Global Geopark in Indonesia, serves as a quintessential locus for this inquiry. Following the pandemic, the region has witnessed a stagnation in visitor growth, signalling that the destination has reached a plateau in its volume-based recovery phase. This stagnation underscores the urgency to pivot from a "quantity-centric" to a "yield-centric" strategy. However, current policy formulation is hampered by an analytical blind spot: the absence of disaggregated data contrasting the spending propensities of package versus non-package tourists.

This study aims to bridge this empirical gap by deconstructing the expenditure patterns of 399 domestic and international tourists in Belitung. By isolating the variable of travel arrangement, this inquiry interrogates the assumption that high-end package tourism is the superior revenue generator. Instead, it posits—and empirically tests—a "Package Tour Paradox," where independent travellers may paradoxically offer significantly higher direct economic injection to the destination. The findings are intended to provide a robust, evidence-based framework for DMOs to recalibrate their post-pandemic strategies, prioritising high-yield segments that align with sustainable destination management.

LITERATURE REVIEW

Structural Determinants of Tourist Expenditure: Beyond Macro-Aggregates

The scholarship regarding tourist expenditure has progressively moved from macro-economic impact assessments to granular micro-econometric analyses. While early studies predominantly isolated socio-demographic variables—such as income elasticity and household composition—as the primary predictors of spending volume (Wang & Davidson, 2010), contemporary discourse has pivoted toward trip-related characteristics. Among these, the "travel arrangement" variable (fully independent vs. packaged) has emerged as a critical, yet contentious, determinant. Disegna et al. (2018) argue that package tours traditionally minimise transaction costs and perceived risks for the consumer, theoretically encouraging higher total disbursement due to the "peace of mind" effect. However, this perspective is increasingly scrutinised under the lens of the "Experience Economy." Opposing arguments suggest that the rigid structure of all-inclusive packages creates a "silencing effect" on discretionary spending at the destination (Aguiló et al., 2017). In contrast, the Free Independent Traveler (FIT) operates with high itinerary elasticity, allowing for spontaneous consumption, which, while unpredictable, often results in a higher marginal propensity to consume local services (Hyde & Lawson, 2003).

The Package Tour vs. Independent Traveler Dichotomy

The economic contribution of the independent segment, particularly backpackers and solo travellers, has historically been undervalued in policy rhetoric, often stigmatised as "low yield" due to their budget-conscious accommodation choices. However, Hampton (2013) challenges this orthodoxy, positing that while independent travellers may exhibit lower daily spending averages in developed nations, their distinct consumption patterns in emerging economies often generate superior net local income. This paradox is rooted in the structure of the supply chain. Mass tourism packages typically rely on vertically integrated conglomerates, resulting in significant "economic leakage" where a substantial portion of the expenditure is repatriated to foreign tour operators or airlines before the tourist even arrives (Mitchell & Ashley, 2010). Conversely, independent travellers are more likely to engage with the informal economy—local transport providers, homestays, and indigenous culinary vendors—thereby facilitating a more direct and deeper financial injection into the host community (Langeland, 2021). This distinction is pivotal for archipelagic destinations, where high import propensities often dampen the multiplier effect.

Economic Leakage in Archipelagic Tourism Contexts

Islands and archipelagic states face unique vulnerabilities regarding tourism yield. Pratt (2015) underscores that "Small Island Developing States" (SIDS) frequently suffer from the "enclave tourism" syndrome, where high-spending package tourists remain sequestered in self-sufficient resorts. In such ecosystems, the correlation between Arrivals and Retained Revenue is non-linear. Post-pandemic literature suggests a restructuring of this dynamic. Sigala (2020) advocates for a "tourism reset," emphasising that the resilience of island destinations depends on diversifying away from volume-dependent models toward value-centric frameworks. This involves capturing the "long tail" of visitor expenditure—specifically, the ancillary spending on cultural experiences and authentic local interactions that are rarely encapsulated in prepaid tour vouchers (Gössling et al., 2020).

Payment Infrastructure as a Spending Enabler

A nascent but critical stream of literature links expenditure magnitude to payment friction. The dominance of cash-based transactions in developing destinations is increasingly identified as a structural barrier to maximising yield. Research by Warriors et al. (2021) indicates that the adoption of cashless systems (e.g., QRIS, digital wallets) significantly reduces the "pain of paying," thereby stimulating impulse purchases. For independent travellers who manage their finances dynamically, the lack of digital payment interoperability can artificially cap their expenditure potential, representing a lost opportunity for the local economy.

METHODS

To empirically dissect the expenditure disparities between package and independent travellers, this study adopts a quantitative descriptive research design with a cross-sectional approach. This framework is selected for its efficacy in capturing a snapshot of economic behavior within a specific temporal context (Creswell & Creswell, 2018). The locus of inquiry is Belitung Regency, a geologically distinct archipelagic destination in Indonesia currently transitioning from an extractive mining economy to a service-based tourism model. This transitional status renders it an ideal testing ground for analyzing the economic yield of emerging destinations.

The population universe comprises all domestic and international visitors to Belitung Regency during the 2023 recovery period. Given the specific requirement to measure total trip expenditure, a probability sampling method was deemed insufficient due to the risk of capturing tourists at the beginning of their journey, which would yield incomplete financial data. Consequently, a purposive sampling technique was employed using an "intercept survey protocol" (Veal, 2017). To mitigate "length-of-stay bias" and ensure data validity, a strict inclusion criterion was established: respondents must have completed at least 75% of their planned itinerary or be located at designated exit points (e.g., H.A.S. Hanandjoeddin International Airport departure lounge and Tanjung Pandan Harbor). The sample size was determined using Slovin's Formula with a precision level (e) of 5% relative to the total annual visitor volume (~306,000 arrivals). This calculation necessitated a minimum threshold of 399 respondents. The final dataset (N=399) is stratified into domestic and international segments to facilitate comparative analysis.

Data acquisition was facilitated through a structured questionnaire designed to minimize "recall bias," a common validity threat in expenditure studies (Frechtling, 2006). The instrument was bifurcated into four substantive modules: 1) Respondent Profile: Socio-demographic variables (origin, age) and travel psychographics; 2) Trip Characteristics: Length of Stay (LoS) and, crucially, the Travel Arrangement variable (dichotomized into Package Tour vs. Non-Package/FIT); 3) Expenditure Disaggregation: Respondents were queried to allocate their spending into specific baskets: Accommodation, F&B, Local Transport, Souvenirs/Retail, and Other/Experiential Services. This granular breakdown allows for the isolation of direct local economic injection versus pre-paid agency fees (Wang et al., 2006); and 4) Transaction Modalities: A dedicated section to assess the penetration of digital payment ecosystems (QRIS, Credit Card) versus cash usage.

Fieldwork was conducted throughout 2023. A team of trained enumerators administered the survey using face-to-face interviews to ensure comprehension of the expenditure categories. Enumerators were instructed to verify the "package status" of the tourist: for package tourists, questions focused on out-of-pocket spending not covered by the pre-paid fee, while independent travelers reported total disbursement. Ethical compliance was maintained through informed consent protocols, ensuring anonymity and voluntary participation.

The raw dataset underwent a rigorous data cleaning process to identify outliers—specifically extreme expenditure values common in luxury travel—using the Interquartile Range (IQR) method. Subsequent analysis was performed using descriptive statistical metrics (Mean, Standard Deviation, and Frequency Distributions) to map the spending behaviors. To address the research objective, a comparative assessment was executed. The analysis juxtaposed the Mean Expenditure per Capita and Spending Composition between the two primary groups (Package vs. Non-Package). This comparative lens serves as the primary mechanism to validate the "Package Tour Paradox" hypothesis. Qualitative data from open-ended questions regarding service satisfaction were analyzed using thematic coding to provide contextual depth to the numerical trends.

RESULTS AND DISCUSSION

The Domestic Baseline

The behavior of domestic tourists (Wisatawan Nusantara) serves as the economic bedrock of the destination. As illustrated in Table 1, the average Length of Stay (LoS) for domestic visitors is recorded at 4.98 days. While the temporal duration of visits remains relatively consistent across segments, a rigorous examination of financial outlays reveals a sharp divergence based on travel arrangement.

Table 1. Comparative Expenditure Analysis of Domestic Tourists in Belitung (2023)

Metric	Package Tourists	Non-Package	Variance
Average Length of Stay (LoS)	4.98 days	4.98 days	0%
Total Expenditure per Capita (IDR)	Rp 4,702,130	Rp 2,895,853	+62.37%
Dominant Spending Component	Tour Package Fee (55.93%)	Souvenirs & Local Products (23.25%)	N/A
Secondary Spending Component	Souvenirs (18.44%)	Accommodation (17.53%)	N/A

Source: Primary Data Analysis (2025)

The data indicates a substantial "Package Premium." Domestic tourists utilizing organized tour services exhibit a total expenditure of IDR 4.70 million, which is approximately 62% higher than their independent counterparts, who spend an average of IDR 2.89 million. This finding aligns with established tourism economics theory, suggesting that mass-market domestic travelers equate packaged itineraries with convenience and risk mitigation, and are thus willing to pay a premium for guaranteed services (Morrison et al., 2018). In contrast, the lower expenditure profile of the non-package segment (IDR 2.89 million) signals a high degree of price elasticity. This demographic likely intersects with the "Visiting Friends and Relatives" (VFR) segment or budget-conscious travelers who leverage personal networks for accommodation and transport to minimize costs (Backer, 2012). While often perceived as "low yield," this segment provides direct liquidity to the local economy, as their spending is not sequestered in pre-paid agency fees.

The structural composition of spending further elucidates the economic impact of these two groups. As depicted in Figure 1, the expenditure of package tourists is heavily consolidated.

Figure 1. Structural Decomposition of Domestic Tourist Expenditure

Source: Research Data (2025)

For package tourists, 55.93% of total disbursement is allocated to the "Tour Package" fee. While this ensures revenue for travel agencies, it creates a "black box" effect where the downstream distribution to local micro-enterprises (restaurants, souvenir shops) is predetermined by the agent's supply chain contracts, potentially limiting the multiplier effect within the broader community (Mitchell & Ashley, 2010). Conversely, independent domestic travelers demonstrate a more fragmented—and arguably more democratic—spending pattern. Their largest allocation is Souvenirs and Local Products (23.25%), followed by Accommodation (17.53%) and Local Transport (13.02%). This distribution implies that independent travelers actively engage with a wider variety of local merchants. The high propensity to purchase souvenirs (nearly one-quarter of their budget) underscores the critical role of the creative economy and MSMEs (Micro, Small, and Medium Enterprises) in extracting value from budget travelers who might otherwise spend sparingly on luxury services.

Furthermore, the data reveals a "Transportation Gap." Independent tourists allocate 13.02% of their budget to local transport, acting as a vital revenue stream for local car rentals and taxi services. In comparison, this cost is invisible in the package segment, absorbed into the lump-sum fee. Consequently, while package tourism drives higher gross revenue per capita, independent tourism fosters a more granular circulation of cash flow across the destination's service ecosystem.

The Package Tour Paradox: Anomalies in International Visitor Yield

While the domestic market adheres to conventional economic logic—where organized tours generate higher per-capita revenue—the international segment reveals a striking structural anomaly. As delineated in Table 2, although the Average Length of Stay (LoS) for international visitors remains consistent at 4.80 days, the financial yield diverges radically based on the mode of travel arrangement.

Table 2. Asymmetric Expenditure Profile of International Tourists (2023)

Metric	International Package Tourists	International Independent (FIT)	Var
Average Length of Stay (LoS)	4.80 days	4.80 days	0%
Total Expenditure per Capita (IDR)	Rp 5,000,000	Rp 13,511,786	+170.2%
Dominant Spending Component	Souvenirs & Retail (60.98%)	"Other" Expenses (34.55%)	N/A
Local Transport Allocation	Included in Package	24.21% (Direct Spend)	N/A

Source: Research Data (2025)

The empirical evidence unveils a "Package Tour Paradox." International independent travelers (FITs) contribute an average of IDR 13.51 million per trip, a figure that is approximately 2.7 times higher than the IDR 5.00 million recorded for package tourists. This expenditure gap of nearly 170% challenges the prevailing policy orthodoxy that incentivizes mass-market package tourism as the primary engine of revenue. This disparity can be attributed to the phenomenon of "economic leakage" inherent in the package model. For international package tourists, the bulk of the expenditure—covering accommodation, inter-regional transport, and guided logistics—is typically captured by overseas tour operators or aggregators before the visitor arrives at the destination (Wall & Mathieson, 2006). Consequently, the IDR 5 million recorded represents only the residual "pocket money" spent locally, limiting the direct fiscal injection into the Belitung economy. Conversely, the high expenditure of the independent segment reflects a direct transfer of wealth to local providers, confirming (Hampton, 2013) assertion that FITs often generate superior net local income in emerging economies.

The mechanism driving this yield gap is further elucidated by analyzing the composition of the expenditure basket, as visualized in Figure 2.

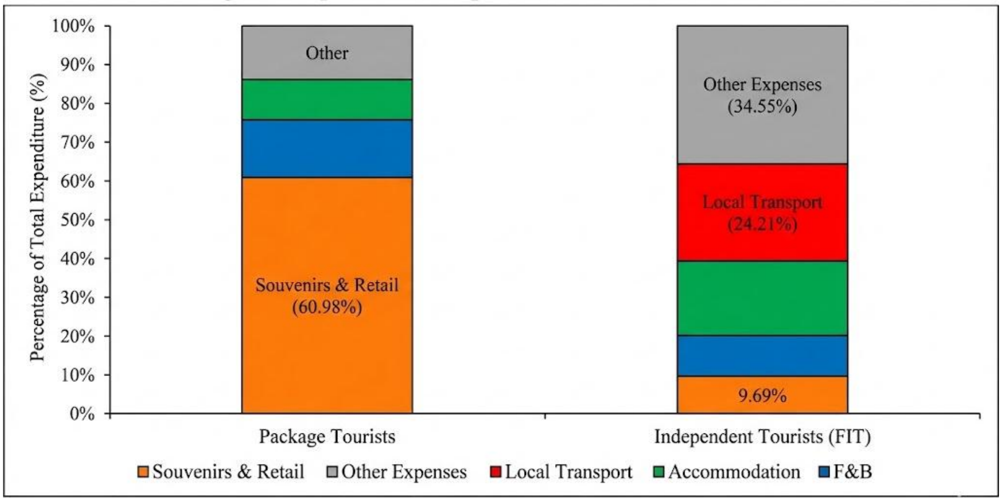

Figure 2. Placeholder

Source: Research Data (2025)

For package tourists, the spending structure is heavily skewed toward Souvenirs and Local Products, which account for a staggering 60.98% of their total local disbursement. This dominance suggests that since their physiological and logistical needs (hotel, food, transport) are prepaid, their consumption behavior is relegated to the purchase of tangible goods. While this supports the local craft industry, it indicates a "siloed" interaction with the destination, where spending is confined to designated retail stops.

In sharp contrast, the independent traveler allocates only 9.69% to souvenirs. Instead, their budget is directed toward experiential and logistical autonomy: 1) "Other" Expenses (34.55%): This massive category represents the highest share of the FIT wallet. In the context of Belitung's marine tourism, this likely correlates to discretionary spending on unscripted experiences, such as private boat charters for island hopping, diving excursions, or premium recreational services that are excluded from standardized itineraries. This aligns with the "Experience Economy" paradigm, where value is derived from personalized, unique activities (Pine & Gilmore, 1999); and 2) Local Transportation (24.21%): Unlike package tourists who travel in pre-paid coaches, FITs inject capital directly into the local transport grid by renting cars, hiring motorbikes, or utilizing local taxis. This expenditure ensures that transportation revenue is distributed among a decentralized network of local drivers and rental owners rather than a single transport company.

The data suggests that the independent international traveler is a "High-Yield, High-Dispersion" asset. Their spending is not only higher in absolute terms but is also more evenly distributed across various sectors (accommodation, transport, recreation) compared to the retail-centric spending of package tourists. This finding necessitates a strategic re-evaluation of destination marketing: maximizing economic yield in Belitung requires shifting focus from volume-based package deals to facilitating the ecosystem for high-spending independent explorers.

Deconstructing the Expenditure Basket

A granular dissection of the spending portfolio, presented in Table 3, elucidates the fundamental divergence in how value is co-created at the destination. The data suggests that while package tourism fosters a "Commodity Economy" centred on tangible goods, independent travel drives an "Experience Economy" anchored in intangible services.

Table 3. Granular Expenditure Composition by International Tourist Segment (2023)

Expenditure Category	Package Tourists (%)	Independent Tourists (FIT) (%)	Interpretation of Value
Souvenirs & Retail	60.98%	9.69%	*Material Consumption*
"Other" (Experiential Services)	12.20%	34.55%	*Unscripted Activities*
Local Transportation	0.00%*	24.21%	*Direct Mobility Spend*
Accommodation	0.00%	20.29%	*Lodging Selection*
Food & Beverage	7.32%	11.26%	*Gastronomic Exploration*
Tour Package Fee	19.51%	N/A	*Prepaid Services*

Source: Research Data (2025)

For the package segment, local economic engagement is overwhelmingly tangible. A staggering 60.98% of discretionary funds is channeled into Souvenirs and Retail (Table 3). Theoretical literature often attributes this behavior to the "obligation of gift-giving" prevalent in Asian travel cultures (Park, 2000). However, from a destination management perspective, this represents a structural limitation. Because the core logistical elements (transport, lodging, dining) are bundled and likely prepaid to external intermediaries, the tourist's financial interaction with the destination is confined to a "retail silo." Swanson and Timothy (2012) argue that while shopping is a significant leisure activity, it often yields a lower economic multiplier compared to service-based consumption due to the import content of goods. Consequently, the package tourist acts less as an explorer and more as a transient consumer of artifacts, limiting the breadth of their economic footprint.

In stark juxtaposition, the independent segment exhibits a radical departure from material consumption. The prominence of the "Other" category, which commands the largest share of the FIT wallet at 34.55%, serves as a robust proxy for the Experience Economy. In the context of Belitung's maritime geography, this "Other" expenditure correlates with high-value, unscripted aquatic activities—such as private boat charters for island hopping, scuba diving certification, and eco-tourism excursions—that are typically excluded from standardized mass-market itineraries. This validates Pine and Gilmore's (1999) seminal proposition that modern consumers increasingly prioritize unique, memorable engagements over goods. By spending IDR 4.6 million (34.55% of IDR 13.5 million) on these services, a single independent traveler injects more capital into the local leisure service sector than the total expenditure of a package tourist.

Furthermore, the allocation of 24.21% to Local Transportation signifies a critical decentralization of revenue. Unlike package groups shuttled in fleet buses, FITs utilize a network of micro-mobility providers (e.g., car rentals, motorcycle hires, and local boatmen). This expenditure pattern ensures that the economic benefits of tourism percolate down to the grassroots level, fostering a more inclusive economic resilience (Scheyvens, 2002).

The Transaction Friction Hypothesis

The final dimension of the expenditure analysis interrogates the mechanism of value transfer. As visualized in Figure 3, the payment landscape in Belitung is characterized by a pervasive reliance on physical currency, a phenomenon that arguably imposes a "transaction friction" on high-yield tourism consumption. Despite the global acceleration of cashless ecosystems, Figure 3 illustrates a stark hegemony of cash. Domestic tourists exhibit a near-total dependency on physical money (79.0%), although a nascent adoption of QRIS (Quick Response Code Indonesian Standard) is observable at 19.3%. This digital uptake is largely attributed to the successful national standardization of QR payments, which has begun to penetrate the domestic traveler's psyche (Bank Indonesia, 2023). However, a critical infrastructure gap is exposed within the international segment. While credit card usage stands at 14.3%—likely confined to transactions within "enclave" environments such as 4-star hotels or established restaurants—the adoption of QRIS/digital payments remains critically low at 7.1%.

Figure 3. Comparative Payment Instrument Preference

Source: Research Data (2025)

This infrastructural lag is not merely a logistical inconvenience; it constitutes a psychological barrier to spending. Behavioural economics literature posits that the "pain of paying" is significantly higher when individuals part with physical cash compared to digital transactions (Prelec & Loewenstein, 1998; Soman, 2003). When a tourist is required to count banknotes for every transaction, the psychological awareness of expenditure is heightened, leading to a more conservative spending behaviour known as "payment decoupling" (Raghubir & Srivastava, 2008). For the independent international traveller—who has been identified in Section 4.2 as the highest-yield segment—this friction is detrimental. Their spending propensity lies in spontaneous, experiential activities (e.g., renting a boat, buying local crafts, or trying street food). However, these micro-enterprises are predominantly cash-based. Consequently, the tourist's purchasing power is artificially capped by the amount of physical cash they carry, rather than their actual willingness to pay.

The disparity between the high spending potential of FITs and the low adoption of digital payments represents a "suppressed yield." Warriors et al. (2021) argue that seamless digital payment adoption in tourism destinations significantly correlates with increased impulse purchasing. By failing to provide an interoperable cross-border payment ecosystem (such as ubiquitous credit card terminals or cross-border QR compatibility), the destination inadvertently leaves money on the table. Therefore, the dominance of cash acts as a structural bottleneck. While the Independent Traveler brings the intention to spend IDR 13.5 million, the infrastructure forces them to navigate a high-friction environment to do so. Transitioning the local MSME ecosystem towards digital acceptance is, therefore, not simply a modernisation agenda, but a strategic imperative to unlock the latent economic value of the high-yield visitor.

Discussion

This study set out to interrogate the post-pandemic expenditure behaviors of tourists in Belitung Regency. The empirical findings presented in the preceding sections unveil a critical dichotomy: while domestic tourism remains anchored in traditional mass-market structures, the international segment exhibits a "Package Tour Paradox," where independent travelers (FITs) generate significantly higher direct economic yield than their package-tour counterparts. This section synthesizes these anomalies within the broader theoretical frameworks of tourism economics, focusing on leakage, resilience, and the digital divide. For decades, tourism policy in emerging island economies has been predicated on the assumption that organized mass tourism maximizes regional income through economies of scale (Peeters et al., 2019). Our data refutes this axiom in the context of Belitung. The finding that independent international travelers outspend package tourists by a factor of 2.7 (Section 4.2) fundamentally challenges the utility of volume-driven metrics.

Theoretically, this validates the "Leakage-Linkage" hypothesis proposed by Mitchell and Ashley (2010). The package tour model, characterized by pre-paid vertical integration, inherently suffers from high leakage; value is captured by external intermediaries (e.g., foreign travel agents, airlines) rather than the destination itself. Conversely, the expenditure pattern of FITs—heavily weighted towards local transport (24%) and unscripted experiential services (35%)—demonstrates strong backward linkages. Every rupiah spent by an independent traveler on a local boat charter or a street-side eatery circulates closer to the grassroots economy, creating a superior multiplier effect compared to the "enclave consumption" of package groups.

The structural dominance of "Other" expenses among high-yield travelers signals a definitive shift from the Service Economy to the Experience Economy (Pine & Gilmore, 1999). While package tourists remain trapped in a "commoditized loop" of souvenir purchasing (61% of budget), independent travelers actively seek "co-created" experiences—such as exploring geological formations or engaging in vernacular culinary traditions—that cannot be standardized or pre-packaged. This behavioral bifurcation has profound implications for destination resilience. Post-pandemic travelers are increasingly risk-averse regarding crowded, scripted itineraries, preferring the autonomy of self-guided exploration (Sigala, 2020). By catering to this "Experience-First" segment, Belitung can insulate its tourism sector from the volatility of mass-market wholesalers. A destination strategy that prioritizes the curation of unique, bookable local experiences is likely to yield more sustainable economic returns than one focused solely on increasing hotel room inventory for group tours.

Despite the clear economic superiority of the independent segment, the pervasive reliance on cash (78.6%) represents a critical structural impediment. The "Technology Acceptance Model" (TAM) in tourism suggests that payment interoperability is a core component of destination attractiveness (Warriors et al., 2021). The current infrastructure gap—where high-spending FITs are forced to carry physical cash—creates a "friction cost" that artificially suppresses consumption. If Belitung aspires to capture the full value of the high-yield traveler, the digitization of the MSME payment ecosystem is not optional. The inability to capture impulse spending via digital wallets or credit cards represents a "deadweight loss" to the local economy. Bridging this digital divide is arguably as critical as physical infrastructure development in unlocking the latent potential of the region’s tourism yield.

Limitations and Future Research

While this study provides robust micro-economic insights, it is not without limitations. First, the cross-sectional nature of the data captures a specific post-pandemic recovery window (2023); longitudinal studies are required to determine if these expenditure patterns are permanent or transitory. Second, the category of "Other" expenses (34.55%) warrants further qualitative deconstruction to identify specific high-value niche activities. Future research should also employ "Input-Output" modelling to mathematically quantify the exact leakage rates of package versus non-package tourism in archipelagic contexts.

CONCLUSION

This study was premised on the urgent need to move beyond aggregate arrival statistics and interrogate the micro-economic realities of post-pandemic tourism in archipelagic destinations. The empirical evidence from Belitung Regency unequivocally identifies a "Package Tour Paradox" within the international visitor segment. While domestic tourism continues to rely on the stability of organized packages, the international market demonstrates a stark economic asymmetry: independent travelers (FITs) generate a direct local yield approximately 2.7 times higher than their package-tour counterparts. The data dismantles the traditional assumption that "high-end" package tourism acts as the primary driver of regional prosperity. Instead, it reveals that mass-market packages are characterized by high import propensities and economic leakage, where expenditure is captured by external intermediaries. Conversely, the independent traveler serves as a more effective agent of wealth distribution, with expenditure deeply embedded in the local transportation grid and the "Experience Economy." However, the realization of this potential is currently impeded by a significant "transaction friction," evidenced by the pervasive dominance of cash payments and the nascent adoption of digital financial infrastructure among high-spending visitors.

Policy Recommendations

To operationalize these findings, destination managers and policymakers in Belitung—and similar emerging island economies—must undertake a strategic recalibration: 1) Strategic Pivot to FIT Acquisition: Destination Marketing Organizations (DMOs) should reallocate resources from subsidizing mass-market wholesalers to digital marketing campaigns targeting the independent traveler. This involves optimizing the destination’s digital presence on global platforms (OTAs, independent travel blogs) and promoting "self-guided" itineraries that highlight granular, authentic experiences; 2) Digital Payment Acceleration: There is an immediate imperative to bridge the "digital divide." Local banking authorities and government bodies must accelerate the rollout of cross-border QRIS (Quick Response Code Indonesian Standard) and credit card acceptance among MSMEs. Eliminating the friction of cash-only transactions is essential to unlocking the latent impulse spending of the high-yield international segment; and 3) Curation of the "Experience Economy": The massive allocation of FIT expenditure towards "Other" activities signals a demand for unscripted engagement. Policy incentives should be directed towards local entrepreneurs to develop bookable, high-value niche products—such as private culinary tours, marine conservation dives, or geological excursions—rather than investing solely in passive infrastructure like monuments.

Ultimately, the resilience of emerging archipelagic destinations lies not in the headcount of arrivals, but in the depth of the economic footprint left behind. By transitioning from a volume-centric model to one that prioritizes the high-dispersion expenditure of independent travelers, destinations can achieve a more sustainable, inclusive, and leakage-resistant tourism economy.

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