Welcome to The Katalis Podcast. I’m your host, Sondang Sirait, communications adviser with Katalis.

Katalis is a unique, five-year government-backed business development program that unlocks the vast potential of economic partnership between Australia and Indonesia.

Two years into the pandemic, forecasts are pointing to cautious optimism for a rebound in tourism in Bali. In what seems to be a glimmer of hope, domestic tourism is gradually returning, though the total figures remain below pre-pandemic levels. That, as the government announces a push to develop medical tourism to support the sector, and the economy, at large. Keep in mind, this year all eyes are on Indonesia, which currently holds the G20 presidency, and Bali, as host of the G20 Summit in late 2022.

In this episode of The Katalis Podcast, we’ll dig into the local scene and find out how industry players are embracing a recovery mindset, while at the same time being mindful of potential challenges in such a dynamic situation.

Thank you for joining us. We invite you to join in the conversation on social media and our website at iacep-katalis.org.

Balinese gamelan music is vibrant, even magical, to say the least. But the sound that so often drew crowds has grown much quieter these days. Two years after the COVID-19 pandemic first hit, the island is still struggling to get back on its feet.

Speaking in October last year, Bali Governor Wayan Koster gave a dire picture of the province’s economy. More than 52 percent of its economy, he said, were directly reliant on tourism. Put together, more than 70 percent of the economy were indirectly reliant on the sector. Many hotels have now laid off their employees, a big hit to some 90-thousand people who work in the industry.

In a show of support for Bali, which makes up most of the tourism industry’s five-percent contribution to Indonesia’s GDP, late last year the government began the construction of the country’s first health-focused special economic zone, in Sanur, Bali. The facility is expected to be fully operational in mid-2023.

That was the Indonesian President Joko Widodo saying, when the Bali International Hospital is fully operational, he hopes there will be no more outbound medical tourism, but rather, Bali-bound.

Just what the reality is like on the ground two years after the pandemic, let’s turn to the beaches and streets of Bali. My first guest is Karlie Cummins, long-time Bali-based Australian entrepreneur.
She is the founder and Managing Director of BaliBuddies, a successful multi-platform media company that provides curated lifestyle recommendations on all things Bali.

[INTERVIEW]

NARRATOR: Hi Karlie, thanks for being on The Katalis Podcast.
KARLIE: Thank you for having me on.

NARRATOR: The pandemic effectively shut down international tourism, which had always been the mainstay of the island. What we’re seeing now is a trend of domestic travellers instead. How has that affected business and to what extent are you making adjustments to capture this market?

KARLIE: That’s exactly right, there’s very little international tourism happening at the moment, down at single figures, I would guess, but the domestic tourism has increased during this time because it’s also harder for those domestic tourists who would normally travel internationally. They’re coming to Bali, so we’ve enjoyed a really good domestic influx of tourists during this time. But yes, businesses have had to change because domestic tourists and international tourists are different types of holidayers. They like different things. They like different foods and they like different ways of traveling, so everybody has had to adapt their offerings, right down to activities, menus, the way they package things up together to attract those domestic tourists when normally they would’ve relied on international tourists at their venue.

NARRATOR: Can you give us an example of how you’re doing things differently now than how you would have done it before the pandemic?

KARLIE: So for me, personally, we’re a media company. The majority of our audience pre-pandemic were Australian tourists, so that’s where a lot of our articles were written to engage Australian tourists. Now, obviously we still love our Australian audience and we keep them Bali-dreaming, we know that they’re keen to get back, but for us to survive as a company, we had to reach out to a stronger domestic audience. Otherwise we don’t provide much value to our clients if we’re not reaching people who can come and visit them during these times. So a change in our business structure is that we’ve started to write more articles that attracted what we knew the domestic audience enjoyed. We know they love coming to Bali and getting their Instagram photos, so we write articles like the best places, the best cafes to get your Instagram here, or we know that they like different types of holiday packages, so for us, growing our domestic audience has been a really strong focus during this time and not only local domestic audiences, but the expat audience throughout Indonesia has been a really big focus of how we’ve changed and how we are marketing to the expat audience, because the expat audience in Indonesia are also taking staycations around Indonesia, so there’s a need for wanting the information of where to go, what’s on, what’s good, what’s open, what’s safe still. The third change has been the immense interest in people wanting to move to Bali during this time. Now that the world has learned to school online and work online, it has really opened people’s minds to, maybe not taking a holiday, but taking a gap year with their families. I’m calling that new trend the ‘temp-pat’ trend, like the temporary expats that are looking to come to Bali. So we are also creating a lot of content to engage those people, who are looking not just to come to Bali as a short-term tourist, but to come for a longer stay.

NARRATOR: Picking up on the changes you mentioned, what do you say is a feasible strategy for businesses in Bali to maintain or increase their competitiveness?

KARLIE: First part that I recommend is once Bali is reopened to international tourism, do not forget your domestic market. They play a very important role in everyone’s businesses here. Remain...
competitive but keep your domestic market engaged and wanting to come back. Secondly, embrace your digital reach and that can be done in lots of ways. Obviously social media plays such a huge role here in Bali, now if you imagine international tourists are going to be returning, they’re not going to be knowing whether your business has survived this time or not. What is the first thing they’re going to check? They’re going to check your Instagram account or Facebook to see when it was last updated, right? So people need to invest time, money and skills into making sure and up-to-date and current social media accounts that are user-friendly. Things like, on Instagram, you have a little link in your bio and you can create a little Linktree that has a tab that connects to Google Maps so people can see how far away they are from you. You can have a tab that connects to your WhatsApp, a tab that connects people to you menu. Make those accounts like mini websites, because people are going to be on there, and if you make it as easy as possible for them to get all the information they need to connect with you on those accounts, that would help your competitiveness. Another strategy that has worked really well during this time for businesses is collaboration. We’ve seen some amazing collaborations happen with businesses, and sometimes businesses that are technically competitors. A really great example I’ve seen of that is some of the finer dining venues in Bali, they now have a system where they recommend each other, whereas before you wouldn’t have recommended your competitor, now they realise they have to share these customers. So what they say to their customers, ‘oh if you really enjoy this, then I’m sure you’re going to enjoy this restaurant which is along the same level of service and standard that we do’. There’s no way that would have happened pre-pandemic, but I think it’s a really nice thing that has come out of the pandemic, that it actually shows the old saying ‘we are stronger together’ really is true. So if you can find some strong businesses to collaborate with, I think that would help your competitiveness moving forward in the reopening phase.

NARRATOR: Thank you Karlie for being on The Katalis Podcast.
KARLIE: My pleasure, thanks for having me.

SOT: Noel Scott, University of the Sunshine Coast
The key thing then if you want that destination to be at best practice in its management, you need collaboration and cooperation between the key stakeholders in that region. That will mean local government, provincial government, national government, tourism industry, and the organisations that help to coordinate the industry, like the tour guide associations, and the local community, all thinking the same thing. Developing that organisation system is something Australia has been doing for, in Queensland, for 40-50 years, and they call it governance structure, governance of tourism and how it operates, and getting a collaborative, rather than top-down directive approach, from government to the industry, a more collaborative approach, is something that Australia has also paid a lot of attention to over the years.

That was Professor Noel Scott, tourism expert at the University of the Sunshine Coast in Brisbane, providing an Australian perspective as he encourages best practices and sustainability in Indonesia’s post-pandemic tourism industry.

Suffice to say, the pandemic has permanently altered the tourism industry in Bali, with all stakeholders now having to adapt, as they seek new opportunities. My next guest is Dr. I Nyoman Darma Putra, Researcher at the Centre of Tourism Excellence at the Udayana University.

[INTERVIEW]
NARRATOR: Thank you Pak Darma for being on The Katalis Podcast.
DARMA: My pleasure.
NARRATOR: The pandemic has caused problems on a scale that’s never seen or felt before in Bali. From a business perspective, looking back, what have we learned?

DARMA: The pandemic has, to be honest, destroyed Bali tourism very much, which has come as a sudden. People never expected this kind of disaster for the industry before, but what we can learn from what happened was: one, the attitude of people towards hygiene is essential. Now people don’t have any other choice except to look after the hygiene in their environment to make the business they run have a new kind of trust, because people, customers, will not come to their shop, hotel or restaurant if hygiene is not properly implemented. So the first lesson I think is the attitude towards hygiene is very essential. The other lesson that we can learn from what the industry in Bali has done, as their counterparts elsewhere in Indonesia, digital facilities become another essential thing to be implemented. If you go to a restaurant, and the waitress gives you a conventional menu, in the form of paper or whatever booklet, as a customer you may not like it or don’t want to touch it, but if the restaurant or any other business outlet you visit provides you with a digital kind of menu, by scanning the barcode and things like that, you will get some kind of trust, and that is good practice that companies in Bali have learned, although we have to say that not all companies can do that because that needs some money to invest. I think there may be other things people learn from the pandemic, but those are the two new things they need to practice in order to get trust from their customers.

NARRATOR: The government has come up with plans to reopen the island—including plans for quarantine, zoning etc. If and when the time comes, is Bali well prepared to welcome international tourists again?

DARMA: The opening of Bali for international tourists has been the expectation of every single entrepreneur, business people in Bali. They really want to see Bali open to international visitors, which to me indicates the readiness of the Balinese people to face the new normal. But if we look closely, we have to acknowledge also that there are a lot of properties, hotels, restaurants, destroyed by time because there’s no business at all in the last two years. So those types of properties and also business wouldn’t be categorised as ready. But in general, at least half business people in Bali are ready to welcome international guests. Now the problem is, the government has decided to open Bali by mid-October last year, but in reality the situation wouldn’t allow those policies to become reality, because there’s no flight. Our neighbour countries, like Australia, which is the main market of Bali tourism is still having problems with the virus and Omicron recently. We just hope that the pandemic ends very soon. And by that time we can be really talk about what it means by readiness and the like.

NARRATOR: Thank you Pak Darma Putra for being on The Katalis Podcast.

DARMA: Thank you very much.

As a key industry that provides employment access to many, including a large number of women, there’s much at stake in ensuring a rebound for Bali’s tourism. As our speakers rightly pointed out, there’s a lot of hope being pinned on the ability to foster opportunities to relaunch and improve business competitiveness, not least by embracing skills in digital technology.

That brings us to the end of this episode of The Katalis Podcast. Hope this has given you a lot to think about. We invite you to join in the conversation on social media and on our website at iacepa-katalis dot org.

See you in our next episode.