

SMART TOURISM-BASED URBAN TOURISM GOVERNANCE IN BALI AS A FORM OF INTEGRATION OF DIGITAL INNOVATION AND LOCAL COMMUNITY PARTICIPATION

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Abstract

This study examines the governance of urban tourism based on smart tourism in Bali as an integration of digital innovation and local community participation. The development of urban tourism in Denpasar and the Sarbagita metropolitan area has increased destination complexity due to the significant growth of tourist arrivals during 2023–2025. This condition requires an adaptive, efficient, and sustainable governance model through the application of digital technology. This research employs a qualitative approach with a case study design, using in-depth interviews, field observation, and documentation analysis of tourism regulations and digital transformation policies. The findings reveal that smart tourism implementation in Bali has begun through the digitalization of destination information services and tourism promotion platforms in line with Presidential Regulation No. 95 of 2018 on Electronic-Based Government Systems. However, smart tourism practices remain partial, characterized by private sector dominance in the digital tourism ecosystem and limited cross-agency data integration. Local community participation is still largely operational rather than strategic in smart destination policy planning, potentially leading to unequal distribution of digital tourism benefits. The study highlights that the success of smart tourism in Bali requires strengthening collaborative governance involving government, private stakeholders, traditional village institutions, and local communities to ensure that digital transformation aligns with Bali's cultural tourism principles based on Tri Hita Karana. Inclusive and participatory smart tourism has the potential to support high-quality and sustainable urban tourism development in Bali.

Keywords: Bali, Community Participation, Destination Governance, Digital Innovation, Smart Tourism, Urban Tourism.

A. INTRODUCTION

Urban tourism in Bali is experiencing rapid growth as urban areas become centers of economic, cultural, and governmental activity, and community mobility. Denpasar City, the Badung region, and the Sarbagita metropolitan buffer zone have become the primary concentrations of tourist destinations, accommodation facilities, culinary centers, public spaces, and local culture-based activities. Urban tourism not only reflects the shift in Bali's tourism orientation from coastal areas to cities as modern tourist consumption hubs, but also highlights the increasing complexity of destination governance due to the pressures of tourist growth, congestion, environmental degradation, changes in urban spatial functions, and demands for more adaptive public services.

Urban tourism management demands a governance system that integrates technology, sustainability, and the involvement of local communities as the socio-cultural owners of the

destination. Balinese tourism is inextricably linked to the cultural characteristics, traditional villages, sacred spaces, and community life practices that serve as its primary attractions. The modernization of urban tourism carries the risk of cultural commodification, social exclusion, marginalization of local communities, and unequal distribution of economic benefits. This situation demands a new governance paradigm that not only emphasizes tourism growth but also places local communities as key actors in the planning, decision-making, and oversight of tourism development.

The concept of smart tourism developed in response to the challenges of contemporary urban tourism. Smart tourism is a destination management approach based on digital innovation through the use of information technology, big data, tourism service platforms, intelligent transportation systems, and the integration of public services to improve the quality of the tourist experience and the effectiveness of destination management. Smart tourism emphasizes the transformation of destination governance towards a more participatory, efficient, transparent system, and responsive to the needs of the community and tourists. The implementation of smart tourism in Bali is a strategic necessity considering the increasingly competitive dynamics of tourism, tourists' demands for digital-based services, and the need for local governments to manage the impacts of overtourism and tourism urbanization.

National tourism development policy has prioritized digital transformation. Law No. 10 of 2009 concerning Tourism emphasizes that tourism management must be based on the principles of sustainability, community participation, local economic empowerment, and cultural preservation. This regulation provides a normative basis that tourism governance cannot be implemented in a sectoral and top-down manner, but rather requires community involvement as the primary stakeholders of destinations. Government Regulation No. 50 of 2011 concerning the National Tourism Development Master Plan emphasizes the importance of strengthening innovation-based destinations, increasing competitiveness, and integrating tourism development with technology and the creative economy.

Digital transformation in regional governance is also reinforced through Presidential Regulation No. 95 of 2018 concerning the Electronic-Based Government System (SPBE). This regulation directs regional governments to develop digital-based public services, increase bureaucratic efficiency, strengthen transparency, and build a government system that adapts to technological developments. Smart tourism, in the context of Bali, is part of the SPBE implementation, particularly in the provision of destination information, tourism licensing services, tourist visit management systems, transportation management, and environmental and social impact monitoring.

Bali also has a regional regulatory framework that emphasizes the direction of culture-based and sustainable tourism development. Bali Provincial Regulation Number 2 of 2012 concerning Balinese Cultural Tourism emphasizes that Balinese tourism is organized based on the values of Tri Hita Karana, maintaining a balance in the relationship between humans and God, humans with humans, and humans with the environment. Smart tourism-based urban tourism management must align with these principles, ensuring that digital innovation does not diminish local cultural identity, does not displace the role of traditional villages, and does not create social disruption in community life.

Local community participation is a fundamental element in the development of smart tourism. Law Number 23 of 2014 concerning Regional Government authorizes local governments to manage the tourism sector autonomously through a participatory, collaborative, and community-based approach. Governance of urban destinations in Bali requires a governance model that involves the government, industry players, local communities, traditional villages, academics, and tourists within a framework of

co-management and collaborative governance. Smart tourism is understood not merely as the digitalization of tourism services, but as an intelligent governance system that strengthens the position of local communities as subjects of development.

Strengthening digital innovation in Bali's urban tourism also faces structural challenges. The digital literacy gap among the public, the dominance of large investors in the city's tourism industry, weak data integration between agencies, fragmented spatial planning policies, and limited public participation mechanisms in destination planning are key issues. Bali's urban tourism requires governance that bridges technological innovation with local community empowerment so that the benefits of digitalization are not only enjoyed by tourists and large businesses, but also strengthen the community economy, protect culture, and maintain the sustainability of the city's environment.

In this context, a study of Smart Tourism-Based Urban Tourism Governance in Bali is crucial as a manifestation of the integration of digital innovation and local community participation. This research is relevant to assessing the extent to which smart tourism policies are implemented in Bali's urban tourism management, how local community participation mechanisms are built into the smart destination system, and how national and regional regulations support the transformation of tourism governance toward a sustainable, inclusive, and culture-based model.

Studies on Balinese tourism for decades have focused primarily on issues of mass tourism, cultural tourism, and the economic and social impacts of the development of coastal and rural tourism destinations such as Ubud, Kuta, and Nusa Dua. These studies position Bali as a global tourism laboratory facing issues of overtourism, environmental degradation, cultural commodification, and the unequal distribution of tourism benefits. This dominant focus has resulted in studies of Balinese tourism not fully addressing the changing character of Balinese destinations, which are increasingly shifting toward urban tourism, particularly in urban areas such as Denpasar and the Sarbagita metropolitan area.

The development of urban tourism in Bali presents new dynamics in the form of increasing pressure on urban spatial planning, urban infrastructure needs, the complexity of tourist mobility, and the growing demand for digital technology-based tourism services. However, studies of urban tourism in Bali are still relatively limited and tend to be descriptive in nature, failing to deeply examine how urban tourism governance is developed through a smart tourism approach that emphasizes the integration of digital systems, destination data, service innovation, and local community participation.

Smart tourism research in Indonesia generally focuses more on technology as a digital marketing instrument, the use of tourism apps, or the development of smart destinations in the context of increasing tourism competitiveness. Such studies often view smart tourism solely as a form of digitalization of the tourism industry. This approach fails to fully explain the governance dimension of smart tourism, particularly regarding how digital innovation influences decision-making structures, collaboration mechanisms between actors, and the position of local communities within the smart destination system.

The research gap is also evident in the weak integration between the concept of smart tourism and the paradigm of local community participation in Balinese tourism governance. Most studies on community participation still focus on tourist villages, community-based tourism, or destination management based on traditional villages. Meanwhile, the urban tourism context presents different challenges, as urban spaces have more complex actors, the private sector is more dominant, and the space for community participation is often more limited than in rural destinations. This situation raises important questions about how local community participation can be integrated into smart tourism policies for urban destinations in Bali.

Previous research also shows that the implementation of digital transformation in the public tourism sector often faces obstacles such as data fragmentation between agencies, limited capacity of local governments in technology management, the digital literacy gap among the public, and the dominance of large investors in the urban tourism ecosystem. However, studies specifically analyzing the relationship between national regulations, such as Presidential Regulation Number 95 of 2018 concerning Electronic-Based Government Systems (SPBE), and the implementation of smart tourism in Bali are still very limited. This is despite the SPBE policy providing a normative basis for local governments to develop transparent and participatory digital governance.

Furthermore, studies of Bali tourism that examine regional policies, such as Bali Provincial Regulation Number 2 of 2012 concerning Balinese Cultural Tourism, tend to emphasize cultural preservation and Tri Hita Karana, but have not yet linked how these cultural principles can be translated into the context of smart tourism based on digital innovation. This creates a conceptual gap between culture-based tourism, Bali's identity, and the transformation of smart destinations, which demands modernization of technology-based service and management systems.

Thus, the main research gap lies in the absence of a comprehensive study that simultaneously integrates three important dimensions: (1) urban tourism governance in Bali as an increasingly dominant destination space, (2) the implementation of smart tourism as a digital innovation approach in destination management, and (3) local community participation as key actors in maintaining Bali's cultural and social sustainability. This research is crucial in filling the academic gap regarding how smart tourism is understood not only as the digitalization of tourism, but as an inclusive, collaborative, and local value-based governance model in the context of Balinese urban tourism.

Therefore, research on Smart Tourism-Based Urban Tourism Governance in Bali, as a manifestation of the integration of digital innovation and local community participation, has strategic relevance in addressing the needs of sustainable urban destination development, strengthening Balinese tourism competitiveness in the digital era, and ensuring that technological transformation remains aligned with cultural principles and local community empowerment.

B. LITERATUR REVIEW

Smart Tourism (Foundations & Smart Tourism Destinations)

Smart tourism is understood as tourism development that relies on the use of digital technology and data ecosystems to improve the quality of the tourist experience and the effectiveness of destination management (Gretzel et al., 2015). This concept emphasizes the foundation of technology as an enabler that connects services, information, and destination actors through connectivity, platforms, and increasingly real-time data processing (Gretzel et al., 2015). Within the framework of "smart tourism destinations," digitalization is aimed at providing more personalized, responsive, and integrated services, enabling destinations to increase their competitiveness while managing the complexities of urban tourism (Buhalis & Amaranggana, 2015). Smart tourism is not simply "digital marketing," but encompasses the service architecture and destination information governance that support evidence-based decision-making (Buhalis & Amaranggana, 2015). Therefore, smart tourism is relevant for understanding the extent to which Bali's digital transformation has moved from partial digitalization to an integrated smart destination system (Gretzel et al., 2015). Indicators:

- Digitalization of destination services (information, reservations, promotions, tourism-related public services)
- Platform and service integration (across channels/agencies; interoperability)

- Utilization of data/big data (monitoring visits, density, preferences; decision-making)
- Personalization of tourism experiences (recommendations, ease of access, contextual services)
- Supporting ICT infrastructure (connectivity, applications, back-end systems)
- Implementation maturity (partial vs. end-to-end integration)

Destination Competitiveness in Smart Tourism (Smart Destination Competitiveness)

Destination competitiveness in the context of smart tourism is understood as a destination's ability to leverage digital capabilities to deliver excellence in service quality, management efficiency, and valuable tourism experiences (Koo et al., 2016). The conceptualization of smart tourism destination competitiveness positions digital innovation as a strategic factor influencing destination performance by strengthening services, information, and resource coordination (Koo et al., 2016). Smart destination capabilities are also supported by the destination's ability to manage technology for a more personalized and seamless experience, particularly in the domain of hospitality and tourism services (Neuhofer et al., 2015). In other words, technology is not an end in itself, but rather an instrument that transforms the way destinations design experiences, manage capacity, and improve service quality (Neuhofer et al., 2015). This framework is relevant for assessing whether digital innovation in Bali's urban tourism enhances competitiveness inclusively or strengthens the dominance of certain actors in the digital ecosystem (Koo et al., 2016). Indicators:

- Quality of the tourism experience (ease, comfort, speed of service, satisfaction)
- Destination digital innovation capabilities (applications, features, data-driven services)
- Destination management efficiency (monitoring, congestion management, incident response)
- Cross-sector service integration (transportation, attractions, information, permits/public services)
- Readiness and capability of actors (government/industry/community) in adopting technology
- Competitiveness outcomes (attractiveness, repeat visits, reputation, service quality)

Collaborative Governance and Community Participation in Destination Management

Collaborative governance describes governance when government and non-state actors work in a joint process to formulate/implement policies through deliberative forums, making cross-actor coordination central to managing complex public issues (Ansell & Gash, 2008). The integrative framework of collaborative governance emphasizes the dynamics of collaboration—such as shared motivation, principle-based engagement, and collective action capacity—that determine whether cooperation produces tangible policy outcomes (Emerson et al., 2012). In tourism, the dimension of community participation demands involvement beyond operational levels, but rather extends to the level of decision-making and control over destination development processes (Tosun, 2006). Participatory approaches also emphasize shared learning and strengthening local capacity so that communities become not merely objects but subjects of development (Pretty, 1995). Therefore, this theory is appropriate for addressing the key issue in your manuscript: smart tourism requires government-private partnerships with traditional villages/communities, as well as expanding community participation from the operational to the strategic level (Ansell & Gash, 2008; Tosun, 2006). Indicator:

- Multi-actor involvement (government, private sector, traditional villages, communities, academics)
- Collaborative forum mechanisms (public consultation, deliberation, partnerships, MoUs)

- Degree of participation (information, consultation, collaboration, decision-making)
- Trust and commitment between actors (sustainable collaboration, compliance with agreements)
- Division of roles and resources (funding, data, human resources, technology access)
- Collaborative accountability (joint monitoring, transparency, policy evaluation)

C. RESEARCH MEHTODOLOGY

This study uses a qualitative approach with a descriptive-analytical research design to deeply understand urban tourism governance based on smart tourism in Bali as a manifestation of the integration of digital innovation and local community participation. A qualitative approach was chosen because this study seeks to explore the phenomenon of tourism governance as a complex social process, involving interactions between actors, policy mechanisms, the dynamics of public participation, and digital transformation in urban destination management. The main focus of the research is not only on the final policy outcomes, but also on the implementation process, power relations, collaboration patterns, and the experiences of local communities in the smart tourism destination system.

Types and Design of Research

This research is a qualitative study with a case study design. Case studies are considered relevant because they focus on a specific context, namely urban tourism in Bali, specifically in urban areas such as Denpasar City and the Sarbagita metropolitan area, which are centers of modern tourism growth. Case studies allow researchers to conduct an in-depth exploration of the application of the smart tourism concept in destination governance, including how digital innovation is implemented by local governments and how local communities are involved in tourism decision-making processes.

Research Location

The research location was purposively determined, considering the characteristics of Bali's urban areas, which have high tourism intensity and are undergoing a transformation into technology-based destinations. This research was conducted in Denpasar City and the integrated urban tourism buffer zone within the Sarbagita region (Denpasar, Badung, Gianyar, and Tabanan). This location was chosen because it is the center of urban tourism activity, a center for innovation in digital tourism services, and a space for interaction between tourists, the government, the private sector, and the local community.

Research Data Sources

This research uses two types of data sources, namely primary data and secondary data.

Primary Data

Primary data was obtained through in-depth interviews with key informants directly involved in smart tourism-based urban tourism governance.

Secondary Data

Secondary data was obtained through a documentary study of tourism regulations and policies, as well as digital transformation, including:

- a) Law Number 10 of 2009 concerning Tourism
- b) Government Regulation Number 50 of 2011 concerning National Development Planning (RIPPARNAS)
- c) Presidential Regulation Number 95 of 2018 concerning Electronic-Based Government Systems (SPBE)
- d) Bali Provincial Regulation Number 2 of 2012 concerning Balinese Cultural Tourism
- e) Regional development plan documents, smart city master plans, and Bali tourism reports

- f) Scientific journal articles, UNWTO reports, and international publications related to smart tourism and urban tourism

Data collection technique

Data collection techniques are carried out using several main methods, namely:

1. In-depth Interviews: Semi-structured interviews were conducted to obtain in-depth information regarding smart tourism implementation, digital innovation strategies, and local community participation mechanisms in urban tourism governance.
2. Field Observations: Observations were conducted to directly observe the condition of urban tourism destinations, the use of digital technology in tourism services, tourist interactions with smart tourism systems, and local community involvement in tourism activities.
3. Documentation Study: Documentation was conducted to examine policies, regulations, government programs, and tourism statistics relevant to smart tourism development in Bali.

Data Analysis Techniques

Data analysis was conducted using the Miles, Huberman, and Saldaña interactive analysis model which includes three main stages:

1. Data Reduction: Data from interviews, observations, and documentation are selected, categorized, and focused on the themes of smart tourism governance, digital innovation, and local community participation.
2. Data Presentation: Data is presented in the form of scientific narratives, matrices, or tables to facilitate understanding of the relationships between actors and governance processes in urban tourism in Bali.
3. Conclusion Drawing and Verification: Research conclusions are drawn based on patterns found in the data, then verified through triangulation to ensure the research results are valid and academically accountable.

Data Validity Test

The validity of the data in this study is guaranteed through triangulation techniques, including:

- Source triangulation, comparing information from the government, local communities, and tourism industry players
- Method triangulation, combining interviews, observations, and documentation
- Member checking, confirming findings with key informants to ensure the researcher's interpretations are consistent

D. RESULT AND DISCUSSION

The implementation of smart tourism in urban tourism governance in Bali demonstrates a significant shift in how local governments and stakeholders manage urban tourism destinations. The Denpasar area and the Sarbagita metropolitan area are developing into modern tourism spaces characterized by a concentration of cultural attractions, culinary centers, public urban spaces, accommodation facilities, and creative economic activities. Urban tourism in Bali is no longer merely understood as an additional tourist activity but has become a central component of the city's development dynamics. This transformation demands destination governance that addresses the complexities of urban tourism, including congestion, changes in urban spatial functions, pressures on the environment, and the need for increasingly fast and efficient tourism services.

Smart tourism has begun to be implemented as an innovative strategy to address these challenges through the use of digital technology in destination services. Local governments are developing app-based tourism information systems, promoting digital services through

official channels, and digitizing public services related to the tourism sector. These practices align with Presidential Regulation Number 95 of 2018 concerning Electronic-Based Governance Systems, which emphasizes the importance of information technology-based governance to improve transparency, effectiveness, and the quality of public services. In this context, smart tourism serves as an instrument for modernizing destination governance, although its implementation still focuses on the digitalization of basic services rather than on developing a comprehensively integrated smart destination system.

Strengthening digital innovation in Bali's urban tourism has strategic implications for enhancing destination competitiveness amidst global competition. Urban tourists tend to demand rapid access to information, ease of mobility, digital reservation systems, and efficient and personalized tourism experiences. Digital transformation offers significant opportunities to enhance the quality of the tourist experience while strengthening the effectiveness of destination management through data-driven monitoring systems. Law Number 10 of 2009 concerning Tourism emphasizes that tourism development must be directed at increasing competitiveness, sustainability, and community empowerment. Smart tourism is relevant as a form of adaptation for Bali's destinations to technological developments and changing preferences of modern tourists.

The dominance of the private sector in Bali's urban tourism digital ecosystem is a key finding of this study. Digital tourism platforms are largely controlled by large industry players, while local communities remain primarily users and informal economic actors. This situation poses the risk of unequal distribution of the benefits of digital transformation, as economic gains accrue more to industry players than to local communities. The gap in public digital literacy and the limited capacity of local governments to manage tourism big data exacerbate these challenges. Smart tourism, unbalanced by inclusive policies, has the potential to weaken the position of local communities in urban destination governance.

Local community participation in Bali's urban smart tourism governance remains limited to operational involvement rather than substantive participation in policy planning. Local communities play a significant role in providing tourism services, creative economic activities, and organizing cultural events, while the space for involvement in strategic decision-making related to destination digitalization has not been fully opened. Culture-based Balinese tourism positions the community as the socio-cultural owners of the destination, making public participation a fundamental element in maintaining sustainability. Bali Provincial Regulation Number 2 of 2012 concerning Balinese Cultural Tourism emphasizes that tourism must be based on the values of Tri Hita Karana and guarantee the preservation of Balinese culture as the main identity of the destination.

The integration of local cultural values into urban smart tourism policies still faces conceptual and structural challenges. Destination digitalization is often oriented more toward the needs of tourists and the modern tourism industry, while local communities have not yet fully become the primary subjects of smart destination transformation. The risk of cultural commodification arises when technology is used solely to increase tourism consumption without mechanisms to protect sacred spaces, local traditions, and the social sustainability of the Balinese community. Smart tourism should not be understood solely as the use of technology, but rather as intelligent governance that strengthens community engagement and expands public participation in urban tourism management.

Smart tourism governance in Bali demands a collaborative governance model involving the government, the private sector, local communities, traditional villages, academics, and tourists as destination actors. Law Number 23 of 2014 concerning Regional Government grants local governments the authority to manage tourism autonomously through a participatory and collaborative approach. In practice, coordination between these actors still

faces obstacles such as overlapping authority, policy fragmentation, weak integration of urban spatial planning with tourism planning, and a lack of inclusive dialogue forums. Effective smart tourism requires a structured collaborative system to prevent digital innovation from being sector-specific.

The sustainability of Bali's urban tourism in the era of smart tourism depends on destinations' ability to integrate digital transformation with principles of local culture and social justice. Smart tourism has the potential to improve the efficiency of destination services, strengthen competitiveness, and support the management of the impacts of overtourism through data-driven monitoring. Smart tourism, solely focused on technology, can reinforce the marginalization of local communities and accelerate the commodification of culture. Smart tourism based on inclusive governance can strengthen the position of communities as subjects of development, preserve Bali's cultural identity, and ensure that digital transformation supports quality and sustainable tourism.

The implementation of smart tourism in Bali's urban tourism governance is taking place amidst the reality of high and dynamic tourist arrival growth during the 2024–2025 period. Data from the Bali Provincial Statistics Agency shows that throughout 2024, Bali received approximately 16.4 million international and domestic tourists, up from 15.2 million the previous year and only slightly below the 16.8 million visits recorded in the pre-pandemic period of 2019. This figure reflects the high pressure on urban destinations, including Denpasar, which recorded 551,100 tourist visits in December 2024. In 2025, the visit trend remains high, with data as of December 22, 2025, showing total tourist visits reaching nearly 15.9 million, consisting of approximately 6.8 million international tourists and 9.1 million domestic tourists. This tourist pressure reinforces the need for technology-based destination management to address the complexities of urban tourism, such as congestion, urban spatial planning, and efficient digital public services.

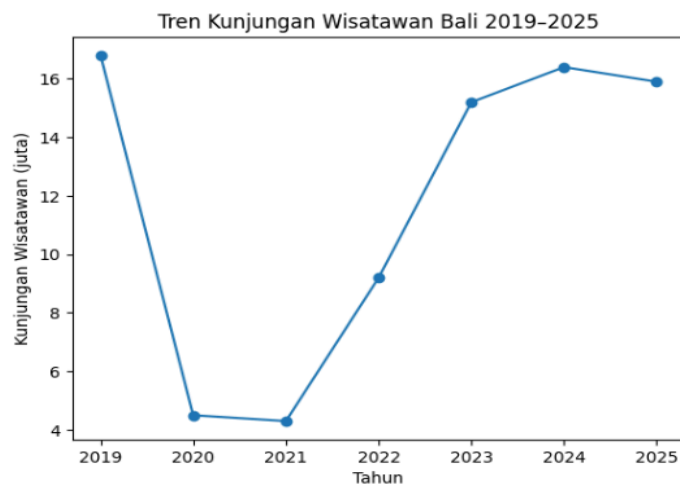


Figure 1. Tourist Visit Trends

Source: BPS Bali Province (Bali Tourism Statistics, 2025)

Analysis of visitor data also shows that international tourists remain a key driver of Bali's tourism industry, with international visits reaching 697,107 per month in July 2025, demonstrating Australia's market dominance and the need for real-time data integration in smart tourism to understand tourist movement trends and service preferences. Hotel occupancy data also indicates a relatively high visitor pattern, with the Room Occupancy Rate (TPK) of star-rated hotels reaching over 67 percent in July 2025 and an increase in the average length of stay for both foreign and domestic guests in 2024. These statistical realities

highlight opportunities for smart tourism to utilize big data and digital systems to manage visits, optimize the tourist experience, and anticipate surges in service burdens at urban destinations.

The implementation of digital innovation driven by the Bali regional government and the city of Denpasar appears to be beginning to take shape in the provision of digital destination information, integrated promotions through official platforms, and electronically connected public tourism services. This digital transformation aligns with the mandate of Presidential Regulation Number 95 of 2018 concerning Electronic-Based Government Systems, which encourages efficient and transparent governance. Previous research in Bali has shown that digital technology can play a role in monitoring destination density, recommending alternative routes, and strengthening local community involvement in smart tourism governance. The realization of smart tourism opens up the potential for increased involvement of urban stakeholders in destination data management and empirically evidence-based decision-making.

Digital innovation capabilities are still not fully distributed across all tourism actors in Bali. Research findings indicate that the dominance of the private sector in digital platform ownership results in local communities and small and medium-sized enterprises (SMEs) not gaining optimal access to the benefits of digital transformation. The gap in digital literacy skills also hinders active local community participation in smart tourism development. This situation strengthens the argument that smart tourism must be developed not merely as a digital marketing tool, but as part of governance that provides space for local communities to contribute to service development, decision-making, and the inclusive distribution of economic benefits.

Local community participation in smart tourism governance in Bali shows a pattern of involvement that is more dominant at the operational level, such as providing tourism services, local guides, and cultural activities, rather than strategic involvement in policy planning. Regional regulations, such as Bali Provincial Regulation No. 2 of 2012 concerning Balinese Cultural Tourism, place local cultural values at the center of tourism development. However, digital transformation has failed to provide equal space for indigenous peoples and local communities to participate in smart tourism governance structures. Expanded public participation is expected to be achieved through public consultation forums, digital literacy training, and collaborative multi-actor mechanisms for smart destination decision-making to ensure the protection and empowerment of local community interests.

Collaborative governance is seen as a key requirement for smart tourism to contribute to the sustainability of Bali's urban tourism. The continued growth of urban tourism requires the government, private sector, local communities, academics, and cultural community actors to work together to design an adaptive governance model. Law Number 23 of 2014 concerning Regional Government provides the foundation for local governments to implement a participatory approach to tourism management. Effective collaboration in the context of smart tourism must be built through the integration of urban spatial planning policies, the preservation of cultural values, the use of technology, and the establishment of open dialogue forums so that all actors can share their perspectives on smart destination development.

Smart tourism has the potential to provide solutions to Bali's urban tourism challenges by using real-time data to plan public service capacity, control visitor density, and optimize transportation routes. The high number of visitation data in 2024–2025 highlights the need for an integrated statistical strategy that focuses not only on promotion but also on monitoring social, environmental, and cultural impacts. Developing a robust smart governance framework will help the government and local communities map development priorities,

improve urban destination governance, and address the phenomenon of overtourism that often puts pressure on Bali's urban environment.

The findings of this study confirm that the implementation of smart tourism in Bali's urban tourism governance has been ongoing but remains partial. Digitalization is more developed in the promotion and basic tourism services aspects, while the dimensions of local community participation and cultural integration within the smart destination system are not yet optimal. Strengthening smart tourism in Bali requires more integrated policies, development of local government digital capacity, empowerment of local communities, and collaborative mechanisms that strengthen urban destination governance based on culture and sustainability.

E. CONCLUSION

This research shows that smart tourism-based urban tourism governance in Bali is evolving in response to the increasingly complex dynamics of urban tourism, particularly in the Denpasar and Sarbagita metropolitan areas. The significant rebound in tourist arrivals in 2023–2025 reinforces the need for a more adaptive, efficient, and integrated destination management system. Smart tourism is a strategic approach to addressing pressures from urban tourism, including destination congestion, the need for digital-based tourism services, managing tourist mobility, and monitoring real-time social and environmental impacts.

The research findings confirm that the implementation of smart tourism in Bali has begun to take hold through the digitization of destination information services, digital platform-based tourism promotion, and the implementation of an electronic-based government system, as directed by Presidential Regulation Number 95 of 2018 concerning Electronic-Based Government Systems. This transformation presents a significant opportunity to enhance the competitiveness of Bali's urban destinations amidst global competition and changing preferences of modern tourists, who demand easy access to technology-based tourism services.

The research conclusions also indicate that the implementation of smart tourism in Bali remains partial and has not been fully integrated into a comprehensive destination governance system. Digitalization is predominantly focused on promotion and basic tourism services, while cross-agency data integration, integrated monitoring systems, and smart destination management policies have not yet been optimally developed. The dominance of the private sector in controlling digital tourism platforms also creates the risk of unequal distribution of the benefits of digital transformation, preventing local communities from fully gaining equal access to the smart tourism ecosystem.

Local community participation in Bali's urban smart tourism governance remains limited to operational involvement in tourism economic activities and cultural events. Public participation in policy planning, strategic decision-making, and the oversight of smart destination development needs to be expanded. This presents a significant challenge, given that Balinese tourism is based on the principles of cultural tourism, as stipulated in Bali Provincial Regulation No. 2 of 2012 concerning Balinese Cultural Tourism, which places the values of *Tri Hita Karana* and cultural preservation as the primary foundations of tourism development.

This research confirms that the success of smart tourism in Bali's urban tourism governance depends heavily on strengthening collaborative governance involving the government, the private sector, local communities, traditional villages, academics, and tourists within an inclusive destination management framework. Smart tourism cannot be understood solely as a technological transformation, but rather as a model of intelligent

governance that integrates digital innovation with local community empowerment and the preservation of Balinese culture.

Smart tourism-based urban tourism governance in Bali has significant potential to support quality and sustainable tourism if developed through integrated policies, stronger public participation, increased digital capacity of local governments, and the integration of local cultural values into the smart destination system. Inclusive-oriented smart tourism will strengthen the position of local communities as subjects of tourism development, maintain Bali's identity as a global cultural destination, and ensure the long-term sustainability of urban tourism.

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