

Tourism Dynamics in Bali: A Study of Driving Factors, Challenges, and Opportunities

Luh Emik Sri Gita Noviyanti^{1*}, Nyoman Diah Utari Dewi², Ni Putu Tirka Widanti³

Universitas Ngurah Rai, Bali, Indonesia^{1,2,3}

emiknapiyanti@gmail.com^{1*}, santi.palupi@podomorouniversity.ac.id², calzsatan@gmail.com³



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Abstract

Purpose: This research describes the dynamics of the tourism sector in Bali Province, focusing on the factors driving tourism development, the challenges the sector faces, and the opportunities available for sustainable tourism growth.

Methodology: A qualitative approach based on systematic literature review was employed, drawing on secondary data from academic articles, government reports, and news publications relevant to Bali's tourism dynamics.

Results: Cultural richness, natural beauty, and ongoing infrastructure development emerge as the primary drivers of tourism growth in Bali. Development is nevertheless constrained by environmental degradation from uncontrolled construction, over-reliance on international visitor demand that produces systemic vulnerability, and difficulty managing tourist behavior and overtourism in popular destinations. Two major opportunities are identified: sustainable tourism practices centered on environmental conservation and community empowerment, and the adoption of digital technologies for destination management, marketing, and visitor services.

Conclusions: Bali's tourism sector must balance economic growth with environmental sustainability and cultural preservation, with market diversification, sustainable governance, and digital innovation identified as priority strategies.

Limitations: The study is descriptive and does not statistically test relationships among the driving factors, challenges, and opportunities identified, and proposed sustainability and digitalization measures have not been empirically validated in Bali-specific settings.

Contributions: This research provides a structured analytical synthesis of Bali's current tourism dynamics, contributing evidence-based policy insight for sustainable tourism governance in an internationally significant destination.

Keywords: *Bali Tourism, Digital Tourism, Overtourism, Sustainable Tourism, Tourism Dynamics*

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1. Introduction

The tourism sector has become the backbone of Bali Province economy, making a substantial contribution to Regional Gross Domestic Product. Tourism contribution to Bali regional economy reached approximately twenty-four percent in 2008 and grew to roughly twenty-seven percent by

2011, a trajectory that reflects the sector's steadily expanding weight within the provincial economy over more than a decade. As Indonesia premier tourism destination, Bali has evolved into a globally recognized icon that attracts visitors from across the world. The island's natural beauty, cultural richness, and geographic position at the center of the Indonesian archipelago have made it one of the most visited destinations in Southeast Asia, a pattern of sustained international recognition that continues to shape both provincial and national economic planning ([Chong, 2020](#)).

Beyond its contribution to gross regional product, the tourism sector has opened extensive employment opportunities for Balinese society. Many local residents depend on tourism as their primary livelihood source, whether through small and medium enterprises such as handicraft production or through direct employment as tour guides, drivers, accommodation workers, and service providers across the hospitality sector. The sector's economic significance extends from formal employment structures to the informal economy, touching virtually every dimension of community economic life on the island, a pattern documented in labor market research examining Bali hospitality workforce during and after the pandemic recovery period ([Godovykh, Fyall, & Pizam, 2022](#); [Dwiyantri, Solahudin, & Safei, 2023](#)).

High dependence on a single economic sector, however, creates systemic vulnerability. The COVID-19 pandemic offered a stark illustration of this risk when the dramatic decline in tourist arrivals caused direct negative impacts on regional revenue and community welfare. [Purwahita, Wardhana, Ardiasa, and Winia \(2021\)](#) documented that the collapse in international arrivals reverberated through Bali social, economic, and environmental sectors simultaneously, revealing the fragility of an economy highly concentrated in a narrow band of international visitor demand. Regional economic analysis conducted after the pandemic further confirms that Bali economic structure remains dominated by tourism even after the recovery phase, meaning the same structural exposure that produced the pandemic-era contraction has not meaningfully changed ([Utama, Suardhana, Sutarya, & Krismawintari, 2024](#)). This structural vulnerability reinforces the urgency of strategic thinking about tourism diversification, sustainability, and long-term resilience.

This research aims to provide a comprehensive overview of the dynamics of Bali Province tourism sector, to analyze in depth the factors driving tourism sector development, to identify the major challenges confronting Bali tourism development, and to explore strategic opportunities, particularly in sustainable tourism and digital technology, available for capitalizing on Bali tourism potential while addressing the structural vulnerabilities described above.

2. Literature Review

2.1 Tourism as a Driver of Regional Economic Growth

Tourism sector dynamics are shaped by multiple interrelated factors spanning economic, social, cultural, and environmental dimensions. From the perspective of regional economic development, the tourism sector can function as a primary driver of regional economic growth through income generation and employment creation, a relationship documented across a wide range of destination contexts where tourism expenditure diffuses through local supply chains and generates multiplier effects for adjacent sectors ([Elorrieta, Cerdan, & Torres-Delgado, 2022](#)). Excessive dependence on this single sector, however, can create structural vulnerabilities to external shocks, including global economic crises, pandemics, and natural disasters, that can rapidly reverse gains achieved during periods of sustained growth. Regional resilience research following the pandemic shows that provinces whose gross regional product remained heavily concentrated in accommodation and food service activity experienced sharper contractions and slower recoveries than more diversified regional economies ([Andariesta & Wasesa, 2022](#)).

Bali Province has experienced a significant economic transformation from an agrarian economy to a tourism-based economy while retaining much of its underlying agrarian character. This transition is evident in the shift of community economic behavior from subsistence-oriented farming toward tourism enterprise activity, a pattern consistent with rural livelihood diversification research showing that households near tourist destinations gradually reallocate labor and capital toward

tourism-adjacent income streams as visitor demand grows ([Huang, Yang, Colmekcioglu, & Liu, 2022](#)). Tourism sector development has demonstrably improved quality of life and welfare indicators in many Balinese communities and has contributed to the island's integration into global value chains built around experiential and cultural tourism consumption.

Bali tourism is distinguished globally by its culture, its arts, and the unique language and customary practices of its village communities. The primary attractions drawing international tourists to Bali include competitive pricing of tourism products, culture expressed through its many manifestations, beach destinations equipped with comprehensive recreational facilities, comfortable tourism environments, extensive opportunities for relaxation and recreation, and the spiritual experience offered by local religious ceremonies and customary practices. These elements collectively constitute an integrated tourism product that is genuinely difficult to replicate in other destinations, a conclusion supported by comparative destination research that consistently ranks Bali among the most differentiated cultural-natural tourism products in the Asia-Pacific region ([Aydm & Aksöz, 2024](#)).

While tourism has increased income and employment opportunities in Bali, researchers have also documented negative externalities, including the high infrastructure costs associated with rapid tourism-driven development and the environmental strain that accompanies unplanned construction near ecologically sensitive coastal and marine areas ([Gomez, Silva, Lithgow, Fernandez-Sanchez, & Moreno-Casasola, 2022](#)). Studies of tourism enterprise development in Bali further identify market access, capital availability, technological adoption, and government support as key ongoing challenges for small and medium tourism enterprises seeking to participate meaningfully in the sector's growth ([Fasa, Berliando, & Prasetyo, 2022](#)). Additional challenges include environmental management, visitor flow control, and the ongoing task of balancing continued tourism growth with the preservation of Balinese cultural identity, a tension explored extensively in recent overtourism scholarship focused specifically on Bali most visited destinations ([Utama, Suardhana, Sutarya, & Krismawintari, 2024](#)).

2.2 Overtourism and Destination Carrying Capacity

A substantial body of recent literature examines overtourism as both a governance and a carrying capacity problem rather than simply a function of raw visitor volume. Bibliometric analysis of the overtourism literature published between 2018 and 2021 shows a rapid expansion of academic attention to the phenomenon worldwide, with destination governance, resident quality of life, and environmental degradation emerging as the dominant thematic clusters ([Santos-Rojo, Llopis-Amorós, & García-García, 2023](#)). Case study evidence from other historically popular destinations reinforces this pattern: research on Barcelona tourism-driven social unrest found that unmanaged visitor growth produced measurable declines in resident satisfaction and rising social tension even as tourism revenue continued to grow ([Elorrieta, Cerdan, & Torres-Delgado, 2022](#)), while carrying capacity modeling applied to Venice demonstrated that structured visitor limits could meaningfully improve sustainability outcomes without eliminating the destination's economic benefit ([Bertocchi, Camatti, & Giove, 2020](#)).

Within the Bali-specific literature, water resource carrying capacity studies conducted in Nusa Penida found that tourism-driven demand for fresh water has already exceeded sustainable extraction limits in several popular sub-districts, illustrating that carrying capacity constraints in Bali extend well beyond visible crowding to encompass less visible resource systems ([Sudipa, Mahendra, Adnyana, & Pujaastawa, 2020](#)). Complementary research on Bali south Badung water crisis situates these resource pressures within a broader political economy of land use conversion for tourism development, arguing that unregulated construction near coastal aquifers compounds carrying capacity pressures that conventional visitor counts do not capture ([Saputri, Susiatiningsih, & Pertiwi, 2017](#)).

2.3 Sustainable and Digital Tourism as Strategic Responses

Sustainable tourism, understood as tourism that meets the needs of present visitors and host communities while protecting opportunities for future generations, has become a central strategic response to the environmental and social pressures documented above. Comparative research on green tourism village development in Bali finds that integrating multiple stakeholder groups, including

government, private enterprise, academia, and community organizations, into destination planning produces stronger environmental outcomes than top-down regulatory approaches alone ([Oka, Antara, Ruki, & Darmayanti, 2022](#)). Community-based tourism scholarship more broadly finds that ensuring tourism revenue reaches local residents directly, rather than being captured primarily by external investors, strengthens both economic equity and community incentives to protect the natural and cultural assets that draw visitors in the first place ([Llupart, 2022](#); [Rocca, & Zielinski, 2022](#)).

Digital technology adoption represents the second major strategic opportunity identified across the recent literature. Global reviews of smart tourism development describe a rapid convergence of destination management systems, mobile applications, and data analytics platforms that collectively allow destinations to manage visitor flow, personalize marketing, and monitor environmental indicators in near real time ([Wu, Xu, Zhao, Li, & Law, 2024](#)). Comparative research examining smart tourism initiatives in Aceh and Bali finds that Bali has made faster progress in visitor-facing digital services than in backend destination management infrastructure, suggesting room for further investment in monitoring and carrying capacity systems specifically ([Munawwarah, Febridha, & Himawan, 2024](#)). Bali-specific case research on digital solutions for overtourism, exemplified by the TravelFlow platform, demonstrates that application-based tools capable of redirecting tourist flow toward secondary destinations can measurably reduce congestion at flagship sites while distributing economic benefit to less-visited communities ([Semara, Arianty, Sutiarso, & Winston, 2025](#)).

General digital marketing research applied specifically to Indonesian tourist destinations confirms that structured use of social media channels measurably increases visitor information-seeking behavior prior to travel ([Musliha & Adinugraha, 2022](#)), while emerging virtual and augmented reality experiences are increasingly used by international operators to let prospective travelers preview a destination before committing to book ([Alegro, Turnšek, Špindler, Cerović, & Weber, 2023](#)). Digital marketing scholarship situates these destination management tools within a broader shift in how travelers discover and plan trips. Research on tourist behavior confirms that social media and short-video platforms now shape destination choice earlier and more decisively than traditional marketing channels ([Armutcu, Tan, Amponsah, Parida, & Ramkissoon, 2023](#)), a pattern documented specifically for platforms such as TikTok in cross-national comparative studies of destination discovery behavior ([Zhou, Sotiriadis, & Shen, 2023](#); [Wengel, Ma, Ma, Apollo, Maciuk, & Ashton, 2022](#)). Within Indonesia, digital marketing research applied to tourism villages in East Java and Bangli Regency finds that structured digital promotion, when paired with authentic community-produced content, can meaningfully expand visitor reach for smaller destinations that lack the marketing budgets of Bali flagship sites ([Nurmadewi, 2023](#)). Machine learning-based forecasting research further shows that internet search and booking data can predict international arrivals to Indonesia with sufficient accuracy to support proactive destination management decisions, offering a data-driven complement to the qualitative planning approaches more commonly used in Indonesian tourism governance ([Andariesta & Wasesa, 2022](#)).

Table 1. Summary of key literature informing the study of Bali's tourism dynamics

Thematic Cluster	Representative Source(s)	Contribution to This Study
Tourism as regional growth driver	Elorrieta et al. (2022) ; Huang et al. (2022)	Establishes the economic mechanism through which tourism generates income and employment in Bali
Structural vulnerability and pandemic exposure	Purwahita et al. (2021) ; Utama et al. (2024) ; Andariesta & Wasesa (2022)	Frames the risk created by Bali concentration in international visitor demand
Overtourism and carrying capacity	Santos-Rojo et al. (2023) ; Bertocchi et al. (2020) ; Sudipa et al. (2020)	Provides the analytical basis for examining visitor management challenges
Sustainable and community-based tourism	Oka et al. (2022) ; Llupart (2022) ; Rocca & Zielinski (2022)	Supports the sustainable tourism opportunity discussed

Thematic Cluster	Representative Source(s)	Contribution to This Study
Digital and smart tourism	Wu et al. (2024) ; Semara et al. (2025) ; Andariesta & Wasesa (2022)	Supports the digital tourism opportunity discussed

Table 1 summarizes the principal thematic clusters identified in this literature review. The table lists, for each cluster, the representative sources drawn upon and the specific contribution each cluster makes to the analytical framework applied later in this study. Read from top to bottom, the table traces the progression from tourism's basic economic role, through carrying capacity and overtourism concerns, to the sustainable and digital strategic responses examined in the results and discussion section.

3. Research Methodology

3.1 Research Design

This research employs a qualitative methodology aimed at understanding the tourism sector's phenomena and dynamics through in-depth analysis of meaning, experience, and perspective that cannot be adequately reduced to numerical measurement. The research focuses on non-numeric aspects and emphasizes understanding the context, behavior, and social dynamics surrounding Bali tourism sector. A qualitative approach is appropriate for this study because the research questions concern the complex interrelationship of cultural, economic, environmental, and institutional factors that shape tourism dynamics, relationships that are generally best explored through interpretive synthesis rather than statistical measurement, a methodological position consistent with recent qualitative tourism research examining similarly multidimensional destination management problems ([Subadra & Hughes, 2022](#)).

3.2 Data Sources

Secondary data were employed, meaning information obtained from pre-existing sources processed and published by other parties. Secondary data sources used in this research encompass information from academic articles, previous research reports, books, journals, and official government documents relevant to the research topic. The use of secondary data is appropriate for a literature review study because it enables synthesis of the accumulated body of knowledge on Bali tourism dynamics without the resource requirements and access limitations associated with primary data collection, particularly given the breadth of stakeholder perspectives, spanning government, industry, and community actors, that a comprehensive account of Bali tourism dynamics requires.

3.3 Data Analysis Method

The research was conducted through a systematic literature review methodology. Literature review is an approach used to collect, analyze, and synthesize existing information from diverse relevant literature sources, providing an overview of the research problem by using existing sources as the basis for answering the research questions. The analytical process involved systematic identification and selection of relevant sources, thematic coding and categorization of findings, comparative synthesis across sources to identify patterns, points of consensus, and contradictions, and finally the formulation of conclusions and strategic implications grounded in the synthesized evidence. This sequence mirrors established systematic review procedures applied elsewhere in Indonesian tourism scholarship, in which document analysis functions as the primary qualitative method for building a structured evidence base from heterogeneous secondary sources ([Purwaningwulan & Ramdan, 2022](#)).

4. Results and Discussions

4.1 Driving Factors of Tourism Development in Bali

Bali tourism continues to develop rapidly through a combination of reinforcing factors including cultural richness, natural endowments, and progressively improving infrastructure. These three factors are not merely complementary but collectively constitute Bali unique identity and attraction as a global tourism destination. Each factor is analyzed in detail in the subsections below.

4.1.1 Bali's Cultural Richness

Bali is known worldwide not only for its natural beauty but also for its profound and living cultural heritage. The diversity of Balinese culture constitutes one of the primary attractions drawing tourists to the island. Balinese tradition encompasses the performing arts, religious ceremonies, dance, music, handicrafts, and distinctive architecture, and nearly every aspect of daily Balinese life reflects a deep commitment to the interconnection between the spiritual and the material, a quality that creates a genuinely unique experiential dimension for international visitors that comparative destination studies rarely find replicated elsewhere in the region ([Aydm & Aksöz, 2024](#)).

Religious ceremonies occurring throughout the year, including Hari Raya Nyepi, the Day of Silence, along with Galungan and Kuningan, offer spiritually profound experiences for tourists seeking immersion in local cultural life. Culture-based tourism rooted in these traditions provides experiences for tourists while playing an important role in sustaining Balinese culture itself. Cultural events such as the Bali Arts Festival and the Ubud Writers and Readers Festival attract both international tourists and domestic visitors annually, providing platforms for cultural exchange and the promotion of Balinese performing arts, literature, and creative expression.

Balinese arts and handicrafts, including paintings, sculptures, jewelry, and textiles, enrich the tourist experience while serving as mechanisms of cultural transmission. Balinese society, in which many residents practice artisanal crafts as part of daily life, produces cultural goods that function simultaneously as livelihood, heritage preservation, and international cultural promotion. Cultural tourism development of this type generates not only economic benefits but also strengthens intercultural understanding between visitors and the local community, an outcome consistent with governance research on traditional Balinese institutions showing that customary structures continue to shape how tourism benefits are distributed within village communities.

4.1.2 Bali's Natural Endowments

Beyond culture, Bali possesses extraordinary natural wealth that constitutes one of the primary drivers of tourism development. The island offers exceptionally diverse natural landscapes, from exotic beaches and majestic mountains to fertile rice paddies, making it suitable for tourism types ranging from beach recreation and adventure tourism to ecotourism and nature-based wellness tourism.

Bali beaches, including Kuta, Sanur, Nusa Dua, Seminyak, and Jimbaran, are primary destinations for tourists seeking seaside recreation and relaxation. Their combination of white sand and clear water provides distinctive attractions for swimming, surfing, and sunbathing. The inland volcanic landscape, centered on Mount Agung and Mount Batur, offers trekking and mountaineering experiences alongside spectacular panoramic views that attract adventure tourists and spiritual pilgrims alike.

Marine ecosystem-based nature tourism has become increasingly popular in recent years. Bali possesses internationally recognized diving and snorkeling locations at Tulamben, Amed, and Menjangan Island, offering underwater experiences within comparatively pristine coral reef ecosystems. The richness of marine biodiversity positions Bali as a leading global diving destination, though marine ecosystem research cautions that this same biodiversity remains vulnerable to construction runoff and unmanaged diving pressure if left unregulated ([Gomez, Silva, Lithgow, Fernandez-Sanchez, & Moreno-Casasola, 2022](#)). The UNESCO-inscribed Jatiluwih and Tegallalang rice terrace landscapes provide additional distinctive experiences representing the harmonious relationship between Balinese agrarian culture and natural landscape management.

Nevertheless, Bali natural wealth also presents challenges when not managed responsibly. Deforestation, marine pollution, and coral reef degradation risks require sustained vigilance to preserve natural beauty for future generations. Sustainable tourism management therefore becomes not merely a strategic option but an existential necessity for Bali long-term tourism viability, a conclusion echoed strongly in recent bibliometric work on overtourism and environmental degradation worldwide ([Santos-Rojo, Llopis-Amorós, & García-García, 2023](#)).

4.1.3 Tourism Infrastructure Development

Progressively developing infrastructure has been a key driver supporting Bali tourism sector growth. In recent decades, Bali has experienced significant improvements in tourism-supporting infrastructure, from international airport development and road networks to hotel and tourism facility construction. Modern, high-quality infrastructure is fundamental to the tourist experience, directly influencing visitor satisfaction and willingness to return.

The development of I Gusti Ngurah Rai International Airport into a modern facility capable of accommodating growing passenger volumes represents one of the most important infrastructure investments undertaken in the province. As Bali main gateway, the airport's capacity and facilities directly affect visitor first impressions and the international connectivity that determines Bali accessibility from key source markets. The Bali Mandara Toll Road connecting Denpasar and Nusa Dua has improved access between major tourism zones, reducing travel times and improving the tourism logistics that affect both visitor experience and operational efficiency, though the surge of vehicles recorded around Ngurah Rai Airport during peak periods illustrates that infrastructure capacity has not always kept pace with visitor growth ([Utama, Suardhana, Sutarya, & Krismawintari, 2024](#)).

The development of accommodation and hotel facilities has been integral to Bali tourism infrastructure expansion. Bali offers diverse accommodation options meeting the needs of different visitor segments, including five-star hotels, exclusive villas, boutique resorts, and ecotourism lodges. This accommodation diversity enables Bali to attract visitors across all spending levels while maintaining its position as a premium destination. However, infrastructure development must proceed with care to avoid negative environmental and cultural impacts, since overbuilding without environmental consideration risks damaging the very attractions that underpin Bali tourism appeal.

4.2 Challenges in Bali Tourism Development

Despite rapid tourism sector development, Bali faces significant challenges that must be addressed to ensure the sector's continuity and sustainability. These challenges encompass environmental degradation from uncontrolled development, over-dependence on international tourists that creates crisis vulnerability, and difficulties in managing visitor behavior and overtourism.

4.2.1 Environmental Degradation from Uncontrolled Development

One of the major challenges facing Bali tourism sector is the environmental impact of uncontrolled, rapid construction. In recent decades, Bali has experienced extensive building activity across infrastructure, accommodation, and tourism facility sectors. While important for supporting tourism growth, this rapid development has generated environmental problems that threaten the long-term sustainability of the sector's primary attractions.

A critical impact of environmentally insensitive construction is the degradation of coastal ecosystems and coral reefs. Many of Bali coastal destinations, which function as primary tourist attractions, have experienced hotel and resort development that overlooks environmental protection principles. Coral reef degradation caused by pollution, sediment discharge from construction, and excessive diving and snorkeling activity threatens the marine biodiversity that constitutes one of Bali signature tourism assets ([Gomez, Silva, Lithgow, Fernandez-Sanchez, & Moreno-Casasola, 2022](#)).

Water resource strain represents a related and increasingly serious environmental challenge. Research conducted in Nusa Penida found that tourism-driven water demand already exceeds locally sustainable extraction limits in several popular areas, a finding with direct implications for accommodation planning and future development permitting in similarly water-constrained parts of the province ([Sudipa, Mahendra, Adnyana, & Pujaastawa, 2020](#)). Increasing tourism facility and settlement construction without adequate waste management infrastructure has also created accumulation problems affecting environmental cleanliness and public health. Plastic waste polluting Bali beaches and coastal waters, together with air pollution from vehicles and construction activity, has damaged Bali environmental reputation and reduced the quality of its natural tourism assets.

These environmental challenges demand a more serious commitment to sustainable tourism management, incorporating stricter environmental standards into construction permitting and ongoing operations.

4.2.2 Over-Dependence on International Tourists

Bali high dependence on international tourists constitutes a structural vulnerability that becomes acutely problematic during global crises. Bali has historically attracted international visitors primarily from Australia, Europe, and North America. This concentration, while economically advantageous under normal conditions, creates severe exposure to disruptions in international travel, whether arising from global economic recessions, security incidents, natural disasters, or pandemics.

The COVID-19 pandemic provided a definitive demonstration of this structural risk. The pandemic caused a dramatic collapse in international tourist arrivals, previously the primary contributor to Bali tourism revenues. International travel restrictions, quarantine requirements, and global uncertainty caused massive visitor cancellations that essentially eliminated Bali primary revenue stream for an extended period, a disruption documented in detail across Bali social, economic, and environmental sectors simultaneously ([Purwahita, Wardhana, Ardiasa, & Winia, 2021](#)). Regional economic structure analysis conducted after the pandemic confirms that, even as tourist visits recovered through 2022 and 2023, Bali underlying economic structure remains dominated by tourism to nearly the same degree as before the pandemic, meaning the same concentration risk persists into the recovery period ([Utama, Suardhana, Sutarya, & Krismawintari, 2024](#)). Beyond the pandemic itself, over-reliance on international markets also creates vulnerability to global economic fluctuations, exchange rate movements, and competitive pressure from emerging tourism destinations across Southeast Asia.

Addressing this structural challenge requires deliberate market diversification. Beyond sustaining the recovery of international visitor numbers, Bali should focus on developing domestic tourism markets, drawing on visitors from across Indonesia growing middle class, and expanding marketing reach to closer regional markets in Southeast Asia, particularly countries with growing outbound tourism demand and convenient air connectivity to Bali. Market diversification of this kind will strengthen sector resilience against future external shocks and reduce the devastating concentration risk demonstrated so clearly by the pandemic.

4.2.3 Visitor Management and Overtourism

The third major challenge Bali faces is the difficulty of managing rapidly increasing tourist volumes, particularly the phenomenon of overtourism in the island's most popular destinations. As one of the world's most popular tourism destinations, Bali regularly experiences excessive tourist concentration at specific locations, including Kuta, Ubud, and Seminyak, generating social and environmental problems including traffic congestion, facility damage, cultural friction, and deterioration of the visitor experience itself. Recent governance-focused research conducted across Bali and Lombok concludes that overtourism in these islands is not simply a function of high visitor numbers but rather a symptom of systemic governance failure, characterized by fragmented policy, weak regulatory enforcement, and the exclusion of local voices from tourism planning processes ([Societies, 2026](#)).

Tourist volume growth without proportionate management capacity creates sustained pressure on existing infrastructure. Iconic destinations frequently receive visitor volumes far exceeding their physical and social carrying capacity, diminishing both tourism quality and local quality of life. Traffic congestion around Ngurah Rai International Airport during peak travel periods, with tens of thousands of vehicles recorded on single high-demand days, illustrates the practical scale of this pressure ([Utama, Suardhana, Sutarya, & Krismawintari, 2024](#)). Tourist behavior management presents an additional challenge, since some visitors do not observe local cultural norms and regulations, damaging public facilities, behaving disrespectfully at sacred sites, or violating site-specific rules. Managing these behaviors becomes increasingly difficult as visitor numbers grow while enforcement resources remain constrained.

Addressing overtourism requires implementing structured tourism policies that include carrying capacity-based destination management, diversification of visitor flows toward less-visited destinations across Bali, and technology-assisted monitoring and crowd management. Digital technologies, including reservation systems, real-time visitor tracking, and mobile-based tourist education platforms, can play an important role in redistributing tourism demand across Bali full destination portfolio rather than concentrating it at a handful of iconic sites, an approach demonstrated concretely by the TravelFlow platform's success in shifting visitor flow toward secondary destinations ([Semara, Arianty, Sutiarto, & Winston, 2025](#)).

4.3 Opportunities: Sustainable and Digital Tourism in Bali

4.3.1 Sustainable Tourism

Sustainable tourism, understood as tourism that meets the needs of present visitors and host communities while protecting and enhancing opportunities for the future, offers Bali a strategic pathway for addressing both environmental challenges and long-term sector viability. Bali extraordinary cultural and natural assets make it exceptionally well positioned to develop premium sustainable tourism products that command price premiums from environmentally and culturally conscious visitor segments.

Environmental conservation provides one of the strongest opportunities within sustainable tourism development. Bali can leverage its remaining pristine natural areas, including tropical forests, beaches, and coral reefs, as the foundation for conservation-based tourism experiences that simultaneously provide compelling visitor experiences, generate conservation funding, and educate visitors about the importance of environmental stewardship. Agrotourism and organic farming experiences offer complementary opportunities, connecting visitors to Bali agricultural heritage while promoting sustainable land management practices, an approach that green tourism village research in Bali finds particularly effective when multiple stakeholder groups are involved from the earliest planning stages ([Oka, Antara, Ruki, & Darmayanti, 2022](#)).

Community-based tourism development is another critical dimension of sustainable tourism. Ensuring that tourism revenues are broadly distributed to local communities, rather than concentrated in large external enterprises, creates both economic equity and cultural stewardship incentives. When local communities receive tangible benefits from tourism, they become active stakeholders in protecting the cultural and natural assets on which their livelihoods depend, a dynamic well documented in community-based tourism governance research examining post-crisis rural destinations ([Rocca & Zielinski, 2022](#)) and in theoretical models linking community participation directly to sustainable tourism outcomes ([Llupart, 2022](#)). Bali can expand community empowerment through direct involvement of local people in tourism product development, service provision, and destination governance, building on the same principles that support successful tourism village economic models elsewhere in Indonesia by [Sandra, Suryana, Sunarmin, and Rofiq \(2023\)](#), the empowerment of indigenous community structures documented in comparative Southeast Asian tourism research by [Mansor, Ibrahim, Simpong, Razak, and Othman \(2019\)](#), and the resilience benefits that psychologically supportive employment practices generated for tourism-sector workers during the pandemic crisis ([Mao, He, Morrison, & Coca-Stefaniak, 2021](#)). Village-level tourism attraction planning research from other parts of Indonesia further shows that formally inventorying local natural and cultural assets before designing community-based programming produces stronger long-term outcomes than ad hoc development ([Ananda & Koswara, 2022](#)), while hospitality management research on green human resource practices suggests that sustainability commitments embedded in staffing and training policy can reinforce the same community and environmental goals that community-based tourism seeks to advance ([Kusumawati & Sulisty, 2024](#)).

4.3.2 Digital Tourism

Digital technology adoption offers Bali transformative opportunities to enhance the efficiency and effectiveness of tourism destination management, marketing reach, and visitor service quality. Digital platforms have fundamentally altered how tourists discover, research, plan, and book travel, and Bali

has significant potential to leverage these platforms for competitive advantage given its strong global brand recognition and high internet penetration in its primary source markets.

Digital tourism marketing presents a major opportunity in this respect. As tourists increasingly plan and book travel online, digital platforms, including social media, destination websites, and dedicated travel applications, are essential channels for promoting Bali destination offerings to global audiences. Research on tourist behavior confirms that digital marketing and social media exposure now shape destination decision-making earlier in the travel planning process than traditional advertising channels ever did ([Armutcu, Tan, Amponsah, Parida, and Ramkissoon \(2023\)](#)), a shift reinforced by studies documenting the outsized influence of short-video platforms such as TikTok on destination discovery among younger travelers ([Zhou, Sotiriadis, & Shen, 2023](#); [Wengel, Ma, Ma, Apollo, Maciuk, & Ashton, 2022](#)). Within the specifically Indonesian tourism context, digital promotion research demonstrates that structured online campaigns, when paired with clear economic objectives, can meaningfully accelerate tourism-driven economic recovery in the post-pandemic new normal period ([Purwaningwulan & Ramdan, 2022](#)), while village-level digital marketing case studies in East Java and Bangli Regency show that even smaller, less internationally known destinations can expand visitor reach substantially through well-targeted digital campaigns ([Nurmadewi, 2023](#)).

Digital tools can also address the overtourism challenge directly by enabling smarter destination management. Application-based reservation systems for popular attractions can distribute visitor flow across time slots, preventing overcrowding peaks while improving the overall visitor experience, an approach already piloted successfully through Bali-specific platforms designed to redirect tourist flow toward underused destinations ([Semara, Arianty, Sutiarto, & Winston, 2025](#)). Machine learning-based forecasting of international arrivals, drawing on multisource internet data, provides destination managers with predictive intelligence that can inform staffing, infrastructure, and crowd management decisions well ahead of peak demand periods ([Andariesta & Wasesa, 2022](#)). Real-time visitor monitoring using sensor networks and mobile data can similarly provide destination managers with actionable intelligence for dynamic crowd management, while digital reporting platforms can empower visitors and community members to flag behavioral violations, supplementing limited enforcement resources with community-based monitoring. These digital capabilities collectively enable a more evidence-based, responsive approach to tourism destination governance, consistent with the broader global trajectory toward smart tourism systems documented across comparative destination reviews.

Table 2. Correspondence between Bali's tourism challenges and strategic opportunities

Challenge	Corresponding Strategic Opportunity
Environmental degradation from uncontrolled construction and coastal development	Conservation-based sustainable tourism, stricter environmental standards in permitting, and agrotourism models that reward responsible land management
Structural vulnerability from over-dependence on international tourist demand	Market diversification toward domestic and regional Southeast Asian visitors, supported by data-driven arrival forecasting
Overtourism and visitor concentration at flagship destinations	Digital reservation and flow-redistribution platforms, carrying capacity-based destination management, and community-based tourism development in secondary destinations

Table 2 summarizes the principal challenges and corresponding opportunities identified in this research, organized so that each challenge in the left column is paired with the strategic opportunity in the right column that most directly addresses it. The table is intended to make explicit the connection between the problems and the strategic responses, rather than treating challenges and opportunities as separate, unrelated lists.

5. Conclusions

5.1 Conclusion

This research concludes that Bali Province tourism sector is driven by three mutually reinforcing factors, cultural richness, natural beauty, and progressive infrastructure development, that collectively underpin its position as Indonesia premier and globally recognized tourism destination. These driving factors, however, coexist with structural challenges that pose significant risks to the sector's long-term sustainability, including environmental degradation from uncontrolled construction, structural vulnerability from over-dependence on international tourist demand, and the social and environmental pressures of overtourism concentration at popular destinations. The strategic pathway forward centers on two interconnected opportunity domains: sustainable tourism development and digital technology adoption. Sustainable tourism, encompassing environmental conservation, responsible resource management, and community empowerment, provides the ecological and social foundation for Bali tourism sector to remain viable across generations while commanding growing premium market segments globally. Digital tourism technology offers efficiency, marketing reach, and destination management capabilities that can simultaneously improve the visitor experience and address overtourism distribution challenges. For policymakers and tourism stakeholders, the priority actions indicated by this study include strengthening regulatory frameworks for environmental protection in tourism development zones, diversifying tourist source markets to reduce structural vulnerability to international demand shocks, implementing carrying capacity-based destination management for high-pressure locations, expanding community-based tourism development, and accelerating digital platform adoption for marketing, visitor management, and stakeholder coordination.

5.2 Research Limitations

This study is subject to three limitations. The research is descriptive and does not quantitatively test the relationships among the driving factors, challenges, and opportunities identified, a limitation that constrains the strength of causal inference that can be drawn from the findings. The implementation of recommended sustainable tourism and digitalization strategies has not been empirically tested in Bali-specific contexts, meaning the opportunities identified rest partly on general evidence from comparable tourism destinations rather than fully documented Bali implementation cases. The evidence base for this study also depends on the completeness of the systematic literature search underlying it, and while considerable effort was made to draw on recent, methodologically credible sources, a synthesis of this kind necessarily reflects the boundaries of the published secondary literature available at the time of writing.

5.3 Directions and Future Study

Four future research directions are recommended based on this study. Quantitative studies measuring the specific impact of identified driving factors, including cultural heritage investment, infrastructure development, and digital marketing expenditure, on tourism performance metrics such as arrivals, revenue, and visitor satisfaction would provide the causal evidence needed for more confident, evidence-based resource allocation decisions. Implementation case studies of sustainable tourism programs and digitalization initiatives currently underway in specific Bali destinations, such as Ubud, Munduk, and Nusa Penida, would document best practices and implementation challenges applicable across the province. Comparative research contrasting Bali tourism dynamics with other culturally rich Asia-Pacific destinations that have navigated overtourism challenges, such as Kyoto in Japan, Luang Prabang in Laos, or Angkor in Cambodia, would yield transferable governance insights relevant to Bali own policy design. Longitudinal research tracking the evolution of community benefit distribution from tourism revenue before and after community-based tourism policy implementation would provide the empirical foundation needed for scaling successful models across Bali diverse community contexts.

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Author Contributions

LESGN conceptualized the study, conducted the systematic literature search, and drafted the manuscript. NDUD led the thematic coding and comparative synthesis of secondary sources and contributed to the literature review. NPTW prepared the tables, coordinated the results and discussion section, and reviewed and edited the final manuscript. All authors read and approved the final version of the manuscript.

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