

ENHANCING TOURISM DESTINATION COMPETITIVENESS THROUGH DIGITALIZATION

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Abstract:

Digitalization has become a major driver in the transformation of the global tourism industry, especially in improving the competitiveness of destinations. This study aims to examine the role and contribution of digitalization to strengthening the tourism sector through a literature review study approach to 10 scientific journals published in the last five years (2021–2025). The results of the study show that digitalization has a significant impact on various aspects, such as destination marketing through digital media, the use of artificial intelligence in managing tourism content, the implementation of electronic payment systems, and the empowerment of tourism MSMEs. In addition, synergy between the government, business actors, and local communities is a key factor in optimizing the use of digital technology inclusively and sustainably. However, challenges such as infrastructure gaps, low digital literacy, and limited resources still need attention. Therefore, an adaptive and collaborative digitalization strategy is needed to encourage Indonesian tourism to be more competitive in the global market.

Keywords: Digitalization, Tourism, Competitiveness, Tourist Destinations, Information Technology

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INTRODUCTION

The development of digital technology has become a key factor in the transformation of various economic sectors, including the tourism industry. Digitalization has not only transformed the way tourist destinations are promoted and marketed but also influenced consumer behavior, travel patterns, and destination management by governments and businesses. Amidst increasingly fierce global competition, digitalization has become a crucial instrument for increasing the competitiveness of tourist destinations, particularly in developing countries like Indonesia. The integration of information technology into tourism activities opens up new opportunities to create more personalized, efficient, and sustainable travel experiences (Rhena & Kraugusteeliana, 2024).

Digitalization enables tourist destinations to reach global markets through social media, official websites, virtual tours, and online booking platforms. Furthermore, the use of artificial intelligence (AI), geographic information systems (GIS), big data, and mobile-based technology has facilitated more targeted tourist data management and tourism development planning (Liberato et al., 2023; Setiawan et al., 2024). In this regard, tourist villages and community-based destinations have also begun to adopt digital technology as a means of promotion and tourist education (Wahyiah et al., 2024).

However, the success of digitalization depends not only on the availability of technology but also on the readiness of human resources, supporting regulations, and synergy between the government, business actors, and the community. Rakhilia et al. (2025) emphasized that strengthening collaboration between these actors is crucial in developing the competitiveness of the tourism and creative economy sectors through innovative and digital approaches. This is reinforced by Khan and Apriyani (2025), who stated that sustainable local economic development is highly dependent on human resource capacity development and the digitalization of leading sectors, including tourism.

Several studies also show that adopting digital systems in the tourism industry can increase efficiency, transparency, and accountability, as well as facilitate access to tourism services for both domestic and international tourists (Suder et al., 2024; Barashok et al., 2021). For example, the use of QRIS and digital payment methods at various tourist destinations has accelerated transactions and increased tourist convenience, as demonstrated in the Batu Lawang area (Azwar & Anwarudin, 2024).

Meanwhile, a study by Sun et al. (2025) showed that digitalization, supported by infrastructure and economic stability, significantly contributes to the growth of smart tourism destinations.

While digitalization offers numerous opportunities, challenges such as the digital divide between regions, limited technology development budgets, and low digital literacy among small businesses still need to be addressed. Therefore, a strategic and sustainable approach is urgently needed in designing tourism digitalization policies and programs at the local and national levels (Anwar et al., 2025; Karyaningsih & Munandar, 2023).

Against this backdrop, the urgency of this research lies in the importance of understanding the role of digitalization as a key strategy in enhancing the competitiveness of tourist destinations in the digital era. This research aims to analyze the implementation of digitalization in tourism and evaluate its impact on destination competitiveness, drawing on recent studies and a systematic literature review approach.

Tourism Competitiveness. The concept of tourism competitiveness encompasses a destination's ability to attract tourists sustainably, provide quality experiences, and deliver economic, social, and cultural benefits to the local community. This competitiveness is not only seen from economic aspects, such as increasing foreign exchange and creating jobs, but also from the ability to maintain cultural sustainability and community involvement in tourism management. According to Hughes (1993), competitiveness is closely related to efficiency and market share through international trade. In tourism, this means that destinations must be able to offer high-quality products and services, have good accessibility, and be efficiently managed to remain relevant and attractive in the global market. Furthermore, the multiplier effect of tourism can drive long-term economic growth because this sector supports other sectors such as transportation, agriculture, and local crafts (Sesa et al., 2023).

Tourism Destination. The concept of a tourism destination refers to a geographic area that serves as a primary travel destination for tourists, where the area has tourist attractions, public facilities, accessibility, and a local community that supports tourism activities. A tourism destination can be a city, island, or specific region chosen by tourists for a specific period of time. According to Pitana and Diarta, a destination is a place visited for a significant period of time, not just a transit point. A destination is not just a physical location, but encompasses the entire tourism experience offered, from attractions, accommodations, transportation, to the social and cultural interactions experienced by visitors (Fatmah et al., 2024). Destination types are very diverse, such as cultural tourism, marine tourism, health tourism, and even industrial and sports tourism, depending on the goals and interests of tourists (Army, 2021). In Law Number 10 of 2009, a destination is understood as an area with mutually supportive components to achieve sustainable tourism. The quality of tourist attractions in a destination is crucial because the higher the quality, the greater the likelihood of attracting tourists to come and stay longer, thus positively impacting the local economy (Dimuru, 2023).

METHODS

This research uses a literature review approach to explore and analyze the development and contribution of digitalization to increasing the competitiveness of tourism destinations. This approach was chosen because it allows researchers to conduct theoretical exploration and synthesize various empirical findings from previously published sources. The literature review was conducted by searching and selecting national and international scientific journal articles relevant to the topics of tourism digitalization, increasing destination competitiveness, and technological transformation in the tourism industry. Inclusion criteria for selecting articles included: (1) articles published within the last five years (2021–2025), (2) the study's focus on digitalization or innovation in the tourism sector, and (3) containing data or analysis relevant to increasing destination competitiveness.

Ten selected journal articles served as the primary sources for this study. The search process was conducted through online databases such as Google Scholar, ScienceDirect, and Garuda, using keywords such as "digital tourism," "tourism destination competitiveness," "tourism digitalization," and "tourism technology innovation." Each article was then analyzed to identify the digital strategy approach

implemented, the actors involved, and the results and impacts on destination development. The analysis process was carried out descriptively and qualitatively by comparing similarities, differences, and strategic patterns that emerged from each literature.

RESULT AND DISCUSSION

Based on the research conducted, the author conducted a literature review of ten relevant scientific journals published within the last five years (2021–2025). This review included articles discussing digitalization strategies, technological innovation, collaboration between stakeholders, and the use of digital platforms in tourism development.

Table 1. Literature Review Results

No	Author and Year	Article Title	Focus of Study	Research result
1	Rakhilia et al. (2025)	<i>Strategi Pengembangan Daya Saing Wirausaha Pariwisata (Strategy for Developing Tourism Entrepreneur Competitiveness)</i>	Innovation, digitalization, collaboration	Collaboration between governments, businesses, and communities strengthens competitiveness through digitalization.
2	Anwar et al. (2025)	<i>Ekosistem Halal Berkelanjutan (Sustainable Halal Ecosystem)</i>	Regulation, digitalization of MSMEs	Digitalization and innovation support the global market penetration of halal tourism MSMEs.
3	Setiawan et al. (2024)	<i>Peningkatan Konten Wisata Berbasis AI (AI-Based Tourism Content Enhancement)</i>	Artificial intelligence technology	Increasing destination attractiveness through quality AI-based digital content.
4	Karyaningsih & Munandar (2023)	<i>Digitalisasi Kawasan Geopark (Digitalization of Geopark Areas)</i>	Digitalization of tourist areas	Digital activities support the conservation and promotion of sustainable tourism.
5	Wisnawa (2024)	<i>Loyalitas Wisata di Era Digital (Travel Loyalty in the Digital Age)</i>	Digital marketing, authenticity	The combination of authenticity and digitalization strengthens tourist loyalty.
6	Wahyiah et al. (2024)	<i>Pemberdayaan UMKM Pariwisata (Empowerment of Tourism MSMEs)</i>	Digital innovation for MSMEs	Digitalization assistance improves the competence of local tourism actors.
7	Untu et al. (2022)	<i>Pariwisata dan Keuangan Digital (Tourism and Digital Finance)</i>	Digital finance	Digital payments speed up transactions and expand the reach of tourism services.
8	Suder et al. (2024)	<i>Digital Tourism Entrepreneurship (Digital Tourism Entrepreneurship)</i>	Digital entrepreneurship	Digitalization is the link between business innovation and the success of the hospitality industry.
9	Barashok et al. (2021)	<i>Peluang Baru dalam Pariwisata (New Opportunities in Tourism)</i>	Digital transformation	Digitalization opens up new opportunities for the global tourism industry.
10	Arteeva et al. (2022)	<i>Dampak Digitalisasi pada Wisata Domestik Rusia (The Impact of Digitalization on Russian Domestic Tourism)</i>	Infrastructure and digitalization	Digital infrastructure accelerates domestic tourism growth.

The table above shows that the majority of literature highlights how digitalization impacts service efficiency, strengthens the capacity of tourism MSMEs, and leverages technology to create more engaging and sustainable tourism experiences. For example, research by Rakhilia et al. (2025) and Wahyiah et al. (2024) shows that collaborative approaches and digital mentoring for local tourism operators can strengthen community-based tourism ecosystems. Meanwhile, research by Suder et al. (2024) and Wisnawa (2024) emphasizes the importance of synergy between destination authenticity and digital technology in building loyalty and personalizing tourism.

Beyond promotion and marketing, digitalization also plays a crucial role in financial infrastructure and transaction convenience. As highlighted by Untu et al. (2022), the use of digital financial systems simplifies tourist transactions and enhances the professionalism of tourism services. Research by Arteeva et al. (2022) confirms that digital infrastructure development has accelerated the development of domestic tourism in Russia, a finding relevant for developing regions in Southeast Asia.

The results of this literature study confirm that digitalization is not simply a technological trend, but rather a strategic necessity for sustainable and competitive tourism development. However, its successful implementation is highly dependent on the readiness of human resources, digital infrastructure, and integrated supporting policies at the local and national levels.

CONCLUSION

Based on the results of a literature review of ten analyzed journals, digitalization plays a strategic role in enhancing the competitiveness of tourism destinations in the era of technological transformation. Various digital innovations, such as social media-based marketing, digital payment systems, the use of artificial intelligence, and the digitization of tourism content, have proven effective in improving service efficiency, expanding promotional reach, and creating more personalized and engaging tourism experiences. Furthermore, digitalization also plays a role in empowering local businesses and tourism MSMEs through increased digital competency and technological infrastructure support. However, the successful implementation of this strategy is highly influenced by cross-sector collaboration between the government, businesses, local communities, and the readiness of infrastructure and human resources. Therefore, digitalization in tourism requires careful planning.

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