

## BUILDING QUALITY TOURISM IN BALI: ANALYSIS OF STRATEGIES AND COLLABORATION BETWEEN THE GOVERNMENT AND BUSINESS STAKEHOLDERS

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### Abstract

The shift from high-quality tourism to mass tourism in Bali has created significant challenges in terms of economic, social, and environmental sustainability. This research explores the impacts of this transformation, focusing on how policies introduced after the COVID-19 pandemic, such as the visa-on-arrival scheme, attracted low-spending tourists and changed the island's tourist demographics. Additionally, the research examines the lack of coherence in tourism promotion strategies, which contributed to an influx of budget travellers, resulting in a decline in Bali's reputation as a premium destination. Interviews with key stakeholders, including tourism experts and local business leaders, reveal a complex interplay of factors, such as uncontrolled accommodation development, foreign ownership of properties, and socio-cultural clashes between tourists and locals. Using a qualitative approach, the study analysed the consequences of mass tourism on Bali's economy, local culture, and environment. Key findings highlight that while mass tourism boosts certain micro-enterprises, it also leads to environmental degradation, loss of local identity, and economic instability. The research proposes strategic steps to transition back to quality tourism, including stricter accommodation development regulations, a shift in marketing focus, and better collaboration between the government and private sector. In conclusion, the research suggests that a concerted effort to promote quality tourism through targeted policies and coordinated actions can restore Bali's status as a premium tourism destination while ensuring long-term sustainability.

Keywords: Bali, quality tourism, mass tourism, tourism shift

### Introduction

According to the UNWTO, international tourism is projected to fully rebound to pre-pandemic levels by 2024, with preliminary estimates suggesting a 2% increase compared to 2019 figures. The Secretary-General of UNWTO, Zurab Pololikashvili, emphasized that post-pandemic tourism recovery must encompass efforts to advance sustainability and inclusivity in tourism development (UNWTO, 2024). This statement underscores that the success of the tourism sector should not be measured solely by visitor numbers but also by the positive impacts generated for communities and the environment. The current condition of Bali's tourism industry aligns with these insights and presents a compelling case study on the challenges and opportunities of balancing economic growth with sustainability.

Bali, Indonesia's premier tourist destination, is renowned for its breath-taking natural beauty and rich cultural heritage. Due to its attraction, Bali has accommodated and catered to the needs of almost ten million tourists annually (Colorni, 2018). However, over the past years, the growth of tourism in Bali has predominantly focused on mass tourism. While this approach has contributed to the local economy, it has also brought negative consequences, such as increased waste, traffic congestion, environmental degradation, loss of agricultural land, and the erosion of cultural values. A study by Peeters et al. (2021) emphasizes that over-tourism leads to inflation, ecological stress, pollution, and deterioration of historical sites, as observed in cities like Venice and Barcelona. In Bali, the influx of budget travellers has exacerbated challenges, leading to higher levels of plastic waste, illegal construction, public safety concerns, and increased demand for resources such as water and energy (Nugraha, in Lestari et al., 2024). This situation highlights an urgent need to shift the focus toward high-quality tourism, which not only supports economic sustainability but also preserves Bali's natural and cultural heritage. Data from the Bali Statistics Agency (BPS) reveals that the island generated 5.2 million international arrivals in 2023, reflecting a growth index of 144.61% compared to the previous year (Badan Pusat Statistik Provinsi Bali, 2024). This surge in arrivals has triggered over-tourism concerns, with CNN Indonesia (2023) naming Bali as one of the destinations with the worst over-tourism levels that year.

The development of Indonesia's tourism sector during President Joko Widodo's first administration was more quantitative in focus, emphasizing the increase in the number of international tourist arrivals (Deputi Bidang Kebijakan Strategis Kementerian Pariwisata dan Ekonomi Kreatif, 2020). One policy reflecting this effort was the Visa-Free policy and the Visa on Arrival (VoA) policy, considered a strategic step to revitalize the tourism sector, especially following the devastating impact of the Covid-19 pandemic, which nearly crippled the industry. This policy was particularly relevant for Bali, where 54.64% of its Gross Domestic Product (GDP) relies on the tourism sector (Bank Indonesia in Muliantari, 2023). The pandemic's impact on Bali's economy was significant, including a rise in layoffs, salary reductions, and various other socio-economic pressures (Dewi et.al., 2022 in Universitas Airlangga, 2024). This was due to a drastic decline in the number of tourists, both domestic and international, leading to severe economic and social hardship for the local community, whose livelihoods depend on the tourism sector.

Nevertheless, the Visa-Free policy is not a new concept in Indonesia. This policy has been regulated since 2011 under Article 43 Paragraph (1) and Paragraph (2) letter a of Law No. 6 of 2011 on Immigration. These provisions state that foreign nationals (FNs) from certain countries, as stipulated in a presidential regulation, can be exempted from the visa requirement to enter Indonesia. The primary goal of this policy is to increase the number of international tourist arrivals while simultaneously boosting foreign exchange earnings from the tourism sector (Latifah, 2021). Meanwhile, the Visa on Arrival (VOA) policy, issued through Circular Letter No. IMI-0708.GR.01.01 of 2022, serves as the government's strategy to broadly reopen the tourism sector in order to drive economic recovery, with the concept of sustainable tourism in mind (Nurfara et al., 2024). However, these policies have also led to unexpected consequences. The influx of budget-

conscious travelers seeking affordable experiences has altered the demographic profile of Bali's tourism market, diluting its reputation as a premium destination.

According to the United Nations World Tourism Organization (UNWTO), over-tourism is defined as the impact of tourism on a destination that excessively affects the quality of life of local communities and/or the quality of tourists' experiences in a negative way. This definition emphasizes that over-tourism is not solely about the quantity of tourists but also about the quality of impacts resulting from tourism activities (Sari et al., 2024). The global tourism trend increasingly emphasizes high-quality tourism that ensures long-term economic, social, and environmental sustainability. Several destinations such as Santorini (Greece), Stockholm (Sweden), Riga (Latvia), Copenhagen (Denmark), and Vilnius (Lithuania) have successfully implemented policies that prioritize quality tourism by imposing visitor caps, eco-tourism initiatives, and premium pricing strategies to attract high-spending tourists (Peeters et al., 2021).

Premium pricing strategy is a unique concept in itself, as it involves setting prices above the average to enhance perceived value. This approach is commonly observed in luxury tourist destinations such as Bhutan and the Maldives. On the other hand, Peeters et al. (2021) highlights case studies from other destinations such as Rio de Janeiro (Brazil), Dublin (Ireland), and Santorini and Warsaw (Poland) have demonstrated that unregulated mass tourism leads to increased pressure on infrastructure, rising property prices, commercialization of local culture, and a decline in residents' quality of life. It also contributes to environmental degradation, overcrowding, and socio-economic disparities, such as reduced access to essential services and unfavourable working conditions for local employees. These models present valuable lessons for Bali, as the phenomenon of over-tourism occurring in Bali underscores the urgent need for a strategic shift toward quality tourism that prioritizes quality over quantity, ensuring sustainable benefits for the local community, the environment, and the economy. A more coherent tourism promotion strategy focusing on attracting high-value visitors, improving infrastructure, and implementing stricter regulations is necessary to restore Bali's position as a high-class destination.

Given these significant challenges, it becomes imperative to investigate not only the root causes of over-tourism in Bali but also potential collaborative strategies to mitigate its impact effectively. To address this issue, the research proposes the following key research questions: (1) What are the primary factors contributing to over-tourism in Bali, and how do they affect the local community, environment, and tourism experience? (2) How can the strategies and collaborations between the government and tourism stakeholders be analysed to transition from mass tourism to high-quality tourism in Bali? By addressing these questions, the research will examine the underlying causes and consequences of over-tourism, evaluate existing policies, and explore possible collaborative approaches for more sustainable tourism development.

Furthermore, this study aims to highlight the critical importance of quality tourism as a viable alternative to mass tourism, especially in the context of Bali's tourism industry. The research will explore how quality tourism, which prioritizes sustainability, cultural preservation, and positive socio-economic impacts, is not only necessary for the future of Bali but also deeply needed by local businesses. Research on tourism recovery through quality tourism remains very limited to date

(Kementerian Pariwisata dan Ekonomi Kreatif & Universitas Udayana, 2021). This research seeks to bridge that gap by offering a comprehensive analysis tailored to the unique needs and challenges faced by local stakeholders.

To achieve these objectives, this research will adopt a mixed-methods approach, combining qualitative and quantitative data collection techniques. Qualitative methods will include in-depth interviews with key stakeholders, such as tourism industry representatives and academics specializing in this issue, to gain insights into their perspectives on quality tourism and the challenges of over-tourism. Quantitative analysis will involve examining statistical data related to tourist arrivals, economic contributions, and environmental impacts to provide a comprehensive understanding of the current situation. It is anticipated that this study will serve as a valuable reference for policymakers in formulating collaborative strategies that benefit the country, tourism businesses, and all involved stakeholders, paving the way for a more sustainable and resilient tourism sector in Bali.

### **Literature Review and Theoretical Framework**

The literature review and theoretical framework are crucial for this research's validity. The review helps understand the context, identify gaps, and build the conceptual framework, while the theoretical framework guides data analysis, ensuring credibility and relevance. This study examines various sources on quality tourism. The World Tourism Organization (2017) defines quality in tourism in multiple ways: philosophically, it relates to excellence and luxury; from a customer perspective, it reflects satisfaction and expectations; for product attributes, it involves measurable characteristics like hotel ratings; in production, it refers to processes meeting standards; and economically, it connects product features, pricing, and cost. These definitions highlight quality's complex, multi-dimensional nature in tourism.

In 1991, UNWTO defined quality in tourism services as meeting consumer needs, expectations, and rights at a reasonable price, while considering factors like hygiene, accessibility, and environmental impacts. This approach highlights the importance of collaboration, continuous improvement, and the human aspects of the tourism experience. Quality at a destination level should be evaluated not only by customer satisfaction but also by its broader social, economic, and environmental impacts. Kementerian Pariwisata dan Ekonomi Kreatif & Universitas Udayana (2021) defined quality tourism as adhering to sustainable principles that benefit local communities. However, quality tourism in Indonesia has yet to meet stakeholder expectations, with many destinations marketed at low prices, highlighting the need for research on tourism recovery through quality initiatives.

This study adopts a theoretical framework to systematically analyze data and findings. It focuses on stakeholder collaboration, assessed through the Pentahelix model—academia, business, community, government, and media—highlighting their roles in achieving sustainable tourism. Additionally, it incorporates sustainable destination branding to reposition Bali's tourism image and evaluates carrying capacity to assess environmental and social limits in the transition to quality tourism.

Four key studies further contextualize this research. Chong (2019) in his study *“The Side Effects of Mass Tourism: The Voices of Bali Islanders,”* examines the negative socio-cultural impacts of mass tourism on Bali's local communities. It reveals that while mass tourism brings economic benefits, such as increased infrastructure and industry growth, it also causes significant harm to the environment, culture, and social well-being. The study highlights the need for solutions to manage tourism sustainably, emphasizing the importance of collaboration between the government and business stakeholders in Bali's transition to high-quality tourism. In contrast, the author of this study aims to explore these solutions by proposing collaboration between the government and business stakeholders.

Karta et al. (2020) also stated in their article, *“The Roles and Contributions of Stakeholders in Villages Tourism Brand Management in Bali and India”*, that collaboration among all stakeholders is essential to create and maintain a strong village tourism brand. A strong brand increases tourist visits, enhances the destination's image, and supports the sustainability of village tourism. This sustainability, in turn, positively impacts the social, economic, and environmental aspects of the local community. This study is valuable for the authors because it highlights how branding plays a crucial role in positioning the image of tourist destinations. Branding has a crucial role in efforts to shift Bali's image from affordable and mass tourism to quality tourism. The emphasis on stakeholder collaboration is another key point, showcasing how joint efforts can create a strong brand image that benefits the local community.

The second study, authored by Peeters et al. (2021) and titled *“Research for the TRAN Committee - Over-tourism: Impact and Possible Policy Responses,”* provides a comprehensive collection of case studies where symptoms of over-tourism are evident, and local governments have implemented measures to transition back to quality tourism. Bled, Slovenia, prevented social and environmental decline, while Cinque Terre, Italy, adopted sustainability policies to protect its environment. Santorini, Greece, limited cruise visitors with a daily cap. Copenhagen, Riga, Stockholm, and Vilnius also implemented key measures. Copenhagen redistributed tourists and promoted eco-friendly initiatives, Riga improved cleanliness and regulated tourism activities, Stockholm integrated sustainability into urban planning, and Vilnius enhanced visitor experience with volunteers, a mobile app, and a tourist tax. This case study demonstrates that Bali can successfully undergo a similar tourism transition, provided there is collaboration that aligns with the needs of all stakeholders.

Baswarani's (2021) in *“Quality Human Resources for Quality Tourism,”* emphasizes the importance of skilled human resources in developing high-quality tourism in Indonesia. It highlights that high-quality tourism focuses on enhancing tourists' purchasing power, not just the number of visits. Skilled human resources improve competitiveness and ensure sustainability. Baswarani's research aligns with Bali's shift to high-quality tourism but takes a broader view, whereas this study focuses on the specific role of human resources and the need for collaboration between the government and stakeholders in Bali's transformation.

The study written by Antara & Mandala (2023), *“Analysis of the Implementation of the Quality Tourism Concept in Bali from the Perspective of Pentahelix Tourism Synergy”* apply the pentahelix synergy approach, involving

academia, business, community, government, and media. While quality tourism in Bali is progressing, the study stresses the need for stronger collaboration among these elements for inclusive and sustainable tourism development. This research is relevant to Bali's shift from mass tourism to high-quality tourism, offering a holistic view on necessary collaboration. However, a specific study on each stakeholder is needed, including the business stakeholders' perspectives, to highlight the challenges that must be addressed for the transition to quality tourism.

### **Research Method**

This study employed qualitative methods, specifically in-depth interviews (Ritchie & Lewis, 2003), to gather insights from key informants. Three individuals were selected based on their expertise and strategic roles in Bali's tourism sector: Drs. I Wayan Witama, MBA., MM., Vice Chairperson for Tourism in Kadin Bali; Ni Nengah Sudiasih, SH., MH., MBA., CPM., Director of Human Resources at Nusa Dua Beach Hotel & Spa and Vice Chairperson for Human Resources in Kadin Bali; and Dr. Ni Luh Putu Agustini Karta, S.E., M.M., an academic and Vice Rector at Triatma Mulya University, specializing in tourism research. The informants were chosen through purposive sampling to ensure the data collected would provide comprehensive insights from both business and academic perspectives. Kadin Bali was selected due to its pivotal role as a representative body for entrepreneurs in Bali, making the insights from the Vice Chairpersons valuable reflections of the broader business community. The inclusion of an academic expert provides a balanced perspective, ensuring that the study captures both theoretical and practical aspects of Bali's tourism sector. Additionally, future research could benefit from involving a wider range of stakeholders, such as small business owners and local communities, to provide a more comprehensive perspective.

The interviews were conducted using a semi-structured format, allowing for flexibility while maintaining focus on key themes relevant to the research. Each interview lasted approximately 60-90 minutes and was conducted in person. The main interview questions revolved around stakeholder collaboration in Bali's tourism sector, challenges and opportunities in transitioning to high-quality tourism, the role of government in enhancing tourism quality, and strategies to support sustainable tourism initiatives. In addition to interviews, data collection included an extensive literature review of academic sources, official reports, and documents related to tourism development and stakeholder-government collaboration in Bali. The literature review provided a foundational understanding and helped triangulate the primary data gathered from interviews. To further enhance the validity and reliability of the findings, additional triangulation methods, such as surveys and field observations, will be considered.

The collected data was analyzed using a thematic analysis approach, which involved transcribing and summarizing interview responses, identifying recurring themes and patterns, grouping themes into meaningful categories based on research objectives, and deriving insights based on observed patterns. The coding process was conducted manually by identifying key phrases and categorizing them according to thematic relevance to ensure transparency and consistency in data analysis. A more detailed explanation of the coding techniques will be provided to enhance the transparency of the analysis process. The limitations of this study include the relatively small number of informants, which may not fully capture the

perspectives of all tourism stakeholders in Bali. Furthermore, the qualitative nature of the study limits the ability to generalize findings to a broader population. Future research should consider expanding the participant pool and incorporating quantitative methods to complement qualitative insights. By integrating these methodological refinements, the study aims to offer a transparent, credible, and comprehensive analysis of stakeholder collaboration in Bali's transition to high-quality tourism.

## **Results and Discussions**

### **Bali's Tourism Shift and Its Impacts**

Bali's tourism has shifted from high-quality to mass tourism, impacting the economy, society, and culture. Drs. I Wayan Witama, MBA, MM., President Director of Aman Villas and Vice Chairman of Tourism at Kadin Bali, attributes this shift to post-COVID policies aimed at boosting recovery, such as the visa-on-arrival scheme. While these measures increased tourist numbers, they also led to an influx of low-spending visitors. Additionally, the war between Ukraine and Russia created unpredictable conditions. Many Russian and Ukrainian tourists came to Bali to avoid military obligations, leading to a large-scale exodus of tourists from these two countries. This directly affected the demographic composition of Bali's tourists, which previously consisted mostly of high-quality travelers, shifting to a more diverse group in terms of spending power and economic background (Witama, personal interview, September 23, 2024).

The lack of coherence in tourism promotion strategies also contributed to this shift. Ni Luh Putu Agustini Karta, an academician and Vice Rector at Triatma Mulya University, notes that promotions focusing on "affordable tourism" have attracted backpackers and low-budget travelers, often referred as "budget tourists," damaging Bali's premium destination image and causing high-end tourists to choose alternatives like Labuan Bajo. Ni Nengah Sudiasih, SH., MH., MBA., CPM., Director of Human Resources at Nusa Dua Beach Hotel & Spa and Vice Chairperson for Human Resources at Kadin Bali, highlights uncontrolled hotel and villa construction, which, combined with price wars, has lowered service quality and strained infrastructure. The strategy of offering low prices has further solidified Bali's position as an affordable destination, reducing its appeal to high-quality tourists.

Furthermore, many villas and properties in Bali are owned by foreign nationals, either through marriage or long-term leases. According to Sudiasih, local communities often only benefit in the short term, typically working as low-wage employees such as gardeners or household staff. Land leased for up to 30 years is frequently used for consumptive purposes rather than productive ones, leading to unsustainable economic benefits for the local population (Karta, personal interview, October 22, 2024). The impacts of mass tourism, as outlined by Sudiasih and Karta, have been streamlined by the author into the following points:

1. **Uneven Multiplier Effect:** Mass tourism in Bali generates a significant multiplier effect, small businesses like street vendors and local eateries, as low-spending tourists rely on their affordability. While these grassroots businesses benefit economically, they contribute little to the formal sector, as many operate informally and avoid taxes. In contrast, the formal sector, including star-rated hotels and large restaurants, faces pricing pressures due to tariff wars, forcing them to lower prices and reduce profitability.
2. **Environmental Impact:** The large influx of tourists strains Bali's environment, increasing carbon emissions from transportation and rising air pollution and waste. Inadequate environmental management challenges Bali's image as a sustainable destination. Additionally, the island's infrastructure, including road networks, struggles to accommodate the growing number of vehicles, causing severe traffic congestion in popular areas like Kuta, Seminyak, and Ubud, which affects both tourists and locals.
3. **Social-Cultural Clash:** Mass tourism has led to socio-cultural clashes between tourists and local communities. The behavior of some tourists who fail to respect Balinese customs and traditions, such as dressing inappropriately at sacred sites, leading to negative perceptions. These clashes risk undermining the harmony between the community and tourists, which should be a cornerstone of sustainable tourism. Additionally, the influx of foreign cultures also contributes to cultural clashes, with locals feeling their traditions are being eroded and their role in preserving them undervalued.
4. **Illegal Practices:** Mass tourism has led to illegal practices, such as foreigners using the "nominee" system to acquire land, violating Indonesia's agrarian laws. As a result, local communities lose access to vital resources like land, while the economic benefits of tourism no longer circulate at the local level. Additionally, villa developments and long-term accommodations by foreigners often ignore zoning regulations, further straining local resources and governance.

#### **Performance Comparison Metrics of Generic and 5-Star Hotels**

From the business owner's perspective, Sudiasih provides a calculation regarding the differences between five-star hotels and hotels with generic facilities.

Table 1. The Comparison Table of Generic Facilities Hotel and High-Quality 5-Star Hotel

Category	Generic Facilities Hotel	High-Quality 5-Star Hotel
Number of Rooms	300	150
Occupancy Rate	80%	80%
Rooms Sold Daily	240	120
Room Rate (\$)	150	400

Daily Revenue (\$)	36,000	48,000
Number of Employees	450	300
Daily Labor Cost (\$)	7,740	5,160
Benefits Cost (30%) (\$)	2,322	1,548
Maintenance Cost (\$)	4,320 (12%)	2,880 (6%)
Total Cost (\$)	14,382	9,588
Daily Profit (\$)	21,618	38,412
Profit Margin (%)	60.1%	80.0%

Source: Personal Interview with Sudiasih, October 2, 2024.

The table presents a detailed comparison between a generic facilities hotel (not a 5-star hotel) and a high-quality 5-star hotel, focusing on their respective performance metrics.

**a) Revenue and Occupancy**

The generic facilities hotel operates with 300 rooms, achieving an 80% occupancy rate, which translates to 240 rooms sold daily. Each room is priced at \$150, resulting in a daily revenue of \$36,000. In comparison, the 5-star hotel has fewer rooms (150), also operating at an 80% occupancy rate. This results in 120 rooms sold daily, but with a higher room rate of \$400, the 5-star hotel generates a higher daily revenue of \$48,000 despite its smaller size.

**b) Labor and Benefits Costs**

The generic facilities hotel employs 450 staff members, with an average daily labor cost of \$7,740. Including benefits costs (30% of labor), the total daily cost reaches \$10,062. On the other hand, the 5-star hotel operates with 300 employees, leading to a lower daily labor cost of \$5,160. After adding benefits, the total daily labor cost amounts to \$6,708, showcasing the efficiency of a smaller workforce in a luxury hotel setup.

**c) Maintenance Costs**

Maintenance and utility costs differ significantly due to the nature of operations. The generic facilities hotel allocates 12% of its daily revenue for maintenance, totaling \$4,320. In contrast, the 5-star hotel allocates only 6% of its revenue, amounting to \$2,880. This reduction is primarily due to the lower number of rooms and higher operational efficiency.

**d) Profit and Margin Analysis**

After deducting all expenses, the generic facilities hotel earns a daily profit of \$21,618, resulting in a profit margin of 60.1%. Meanwhile, the 5-star hotel achieves a significantly higher daily profit of \$38,412, translating to an impressive profit margin of 80.0%. The high margin is driven by premium room rates, lower maintenance costs, and efficient labor management.

**e) Key Takeaways**

The comparison highlights how operational strategy and market positioning impact profitability. While the generic facilities hotel relies on volume (more rooms and employees) to generate revenue, the 5-star hotel emphasizes quality and premium pricing, leading to higher margins with fewer resources. This demonstrates that a focus on efficiency, guest experience, and revenue per available room (RevPAR) can yield superior financial performance in luxury hotels.

## Strategies of Shifting Towards Quality Tourism

It can be concluded that quality tourism provides greater economic and social benefits than mass tourism. Boutique and premium hotels generate higher profits with fewer staff and offer better wages, improving employee well-being and stability. Quality tourists spend more in formal sectors, like restaurants and spas, while having a smaller environmental impact by choosing sustainable experiences. Thus, quality tourism positively impacts the economy, society, and the environment, balancing growth with cultural and natural preservation. After understanding the benefits of quality tourism, a question arises: What steps can shift from mass tourism to quality tourism? Witama, Sudiasih, and Karta have offered key insights, which the author has summarized.

- 1. Price Policy:** One of the first steps is to increase accommodation prices, entrance fees, and tourism services. This aims to reduce the number of low-budget tourists and target the market of tourists with a minimum spending of \$500 per day. This will help reduce the number of low-cost tourists and make Bali more attractive to those with larger budgets. This policy is expected to boost the economic gains for Bali's tourism sector and facilitate the shift to a high-end market.
- 2. Tighter Accommodation Development Regulations:** Halting new accommodation development permits is a crucial step in preventing overdevelopment that could reduce Bali's appeal as an exclusive destination. The government needs to strictly monitor building permits, such as IMB (Building Construction Permits), and enforce penalties for violations. Additionally, to avoid social inequality, policies to halt land purchases by foreigners should be implemented to ensure that land and properties in Bali are predominantly owned by the local population.
- 3. Tourist Screening:** Bali can learn from European countries by setting financial criteria for tourists. By establishing these criteria, Bali can filter out tourists with low spending power and focus more on those who can afford to spend more during their stay in Bali.
- 4. Government and Private Sector Collaboration:** Kadin provides recommendations to the local government to tighten tourist selection through travel agents and immigration. Kadin also collaborates with partner countries to promote quality tourism through MoU signings and increasing direct quality flights to Bali. Through this policy, Bali is expected to attract middle-to-upper-class tourists, especially focusing on individuals with high-spending indicators, such as choosing five-star hotels and fine dining restaurants. The long-term success of Bali's tourism can be measured by an increase in tourist visits and higher tax revenues.

In addition, Karta explained that Bali's improvement strategy aligns with UNWTO's quality tourism indicators, focusing on three aspects: 1) Professional Tools, ensuring effective resource management; 2) Management Model, promoting clear systems for tourism, hospitality, and destination governance; 3) Powerful Marketing Tools, shifting from "affordable" to "quality" tourism. To achieve greater success, coordinated promotion and immigration supervision need to be improved. Better coordination between government agencies, such as the Tourism Department, the Ministry of Tourism and Creative Economy, the Ministry of

Transportation, Immigration, the Tourism Promotion Board, and all business stakeholders is crucial. As Karta et al. (2020) emphasized, collaboration among all stakeholders plays a vital role in building and sustaining a strong tourism brand.

### **Conclusion and Recommendations**

The research on Bali's tourism transformation from a high-end destination to one focused on mass tourism highlights several key findings and suggests avenues for future improvements. Key results from the study indicate:

1. **Economic Impact:** While mass tourism supports certain local businesses, it has undermined the overall quality of the tourism experience, reducing Bali's appeal as a premium destination and leading to revenue instability.
2. **Social and Cultural Effects:** The arrival of tourists with differing expectations has led to a cultural disconnect between locals and visitors. This has resulted in tensions and a loss of the local cultural identity, making Bali less attractive for high-value, long-term visitors.
3. **Environmental Degradation:** Unregulated development, including foreign-owned properties, has strained Bali's infrastructure, contributing to waste problems and environmental degradation.
4. **Policy Inconsistencies:** The absence of a cohesive tourism policy exacerbates these issues, as regulations are insufficient to control the rapid growth of budget tourism.

Further research could explore how technology and digital marketing, including social media, can play a pivotal role in promoting quality tourism in Bali. This research would also look at how these tools can help build a more positive perception of the destination as an exclusive place for high-end travelers. A comparative analysis between Bali and other tourism destinations facing similar challenges could provide a broader understanding of best practices in managing tourism transitions, both in terms of policy and marketing strategies. By expanding research in these directions, we can gain a more comprehensive understanding of how Bali can transform back into a sustainable, exclusive, and profitable tourism destination for all stakeholders involved.

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