The Development of E-Government to Support Marketing of Denpasar City's Tourism Potential in the Digital Era

Nila Kurnia Wati[1], Edy Sutrisno[2], Hidayaturahmi[3], Ahmad Maulana[4]

{nilakrn@stialan.ac.id[1]}

Politeknik STIA LAN Jakarta, Jakarta, Indonesia

Abstract. Denpasar City is one of the regions in Indonesia that has extraordinary tourism potential. The revival of the tourism industry and the momentum of digital transformation after the COVID-19 pandemic require full support from the government, one of which is through marketing in the public sector. It is hoped that the increase in the SPBE predicate and value for the Denpasar City Government will also be in line with the increase in the performance of the Denpasar City Tourism Office in marketing tourism potential so that it meets the demands of the modern era and the development of new technology. The aim is to create quality and competitive cultural tourism. In connection with this, researchers see an urgency to analyze e-government development in supporting the Marketing of Denpasar City's Tourism Potential in the Digital Era based on the e-government evaluation model prepared by the United Nations (UN). This research uses a qualitative method with a case study approach. The research results show that currently, the Denpasar City government is at the fourth stage of e-government, namely transactional in public sector marketing. Two-way interactions have been carried out between the government and society. Apart from that, this stage describes public service transactions in terms of tourism that are facilitated by the Internet network. Even though there are channels to increase two-way interaction between the government and the community, this stage is still not fully implemented because the provision of services in the context of tourism has not yet reached the point of tourism transactions can be carried out online via the internet network.

Keywords: E-Government, Marketing, Digital Era

1 Introduction

The occurrence of the Covid-19 pandemic that occurred in 2020 has provided evidence of the existence of conditions of uncertainty. This also has a tremendous impact on all sectors, including the tourism industry sector. Based on a report published by the United Nations World Tourism Organization (UNWTO), international tourism recorded the worst decline of 74%. International tourist arrivals fell by almost 1.5 billion in 2019 to 380 million in 2020. The tourism sector experienced losses of 1.3 trillion USD or around 11 times the losses of the 2009 global crisis [1].

Likewise with the tourism industry sector in Indonesia. The Covid-19 pandemic has had a significant impact in reducing the number of tourists, both domestic and foreign, as a result of the Large-Scale Social Restrictions (PSBB) policy in several regions as well as the closure of

international access in various countries. The number of global tourist arrivals experienced a drastic decline, namely by 58% to 78% or 847 million to 1139 million. The decrease in the number of international tourists resulted in a decrease in hotel occupancy rates in Indonesia from 56.73% to 28.07% during the July 2019-July 2020 period or a decrease of 28.66 points. Apart from that, the Covid-19 pandemic also resulted in a decrease in state income from the tourism sector by 20.7 billion. The highest decline was in the tourist destination Bali, namely 59.15 points. The tourism industry is the sector that has suffered the most due to the Covid-19 pandemic [2].

Along with the vaccination program that has been carried out, we are now in a new normal era. Currently, it can be seen that all sectors are starting to recover, one of which is the tourism sector. In February 2023, data from BPS shows that foreign tourist visits to Indonesia increased by 567.27% compared to the same month last year or reached 701.93 thousand visits. These tourists are dominated by tourists from Malaysia (18.10%) and Australia (12.08%). The main increase in visits was recorded at the Ngurah Rai and Soekarno Hatta airport gates, increasing by 49,949.96% and 716.85% respectively. The increase in tourist activity can also be seen from the increase in occupancy of star hotels which reached 47.83% and non-star hotels which reached 22.67% [3]. The increase in the number of tourist visits and increasing hotel occupancy shows that currently the tourism industry in Indonesia is starting to revive.

On the other hand, the Covid-19 pandemic has also become a momentum for digital transformation in Indonesia. Based on data from datareportal.com, in January 2021 there was an increase in the number of internet users by 15.5% or 27 million users compared to January 2020 [4]. Even compared to January 2019, internet users in Indonesia increased from 174 million users to 212.9 million in January 2023 [5]. In Indonesia, digital transformation is taking place more quickly in order to increase the distribution of Information and Communication Technology (ICT).

This digital transformation momentum can be an opportunity for tourism actors to survive during the pandemic and now. Tourism actors must have good adaptability, innovation and collaboration and this can be implemented through digital tourism. Digital tourism is an effective strategy in promoting various destinations and Indonesia's tourism potential through various platforms. Digital tourism not only introduces but also spreads the beauty of tourism widely to increase the number of foreign tourists visiting Indonesia. With digital tourism, people's digital literacy will also increase. Currently, tourism trends have also shifted towards digital as evidenced by the activities of tourists who are starting to plan trips, pre-on-post journeys carried out digitally [6].

The revival of the tourism industry and the momentum of digital transformation require full support from the government. The government has an important role in reviving the tourism sector. The government must be able to seize opportunities with digital transformation so that it can become a supporter in reviving the tourism sector in Indonesia. One of the important roles of the government in reviving the tourism sector in Indonesia is through promotion in the public sector in promoting the tourism potential that exists in each region in Indonesia.

In this regard, a study states that there are several benefits from marketing in the public sector. Firstly, in the field of education, public sector marketing provides benefits in developing maternal education, promoting equality of opportunity, campaigning for public health education. Second, in the field of public health, public sector marketing is useful in increasing campaigns for breast cancer prevention, access to genetically engineered foods, promotion of the benefits of physical activity and reduction of pesticides. Third, in the socio-

economic field, public sector marketing is useful in greater social integration, better social awareness for victims of domestic violence. Fourth, in the field of urban politics, promotion of the public sector is beneficial in advancing the urban economy, increasing political legitimacy and strengthening political involvement [7].

However, unfortunately until now promotion in the public sector has not received much attention from the government. As the results of a study conducted by Ţigănaş et al., 2011 show that public sector marketing is not significantly present in local public institutions. In fact, there are many benefits that can be obtained from implementing public sector marketing in government administration[8].

Along with digital transformation, ICT is one of the tools that can be used for marketing. Likewise with marketing in the public sector. Currently, advances in communication and information technology (ICT) are very rapid. Advances in ICT can be both opportunities and challenges for all countries in the world, including Indonesia. Advances in ICT can provide opportunities for rapid access, management and utilization of information on a large scale. In government, the use of ICT is known as e-government which is expected to increase efficiency, effectiveness, transparency and accountability in government administration. This is in line with the idea of good governance which is currently being promoted in various countries in the world. The use of ICT in the realm of government will help the country in realizing good governance. This is in line with what Alshehri and Drew stated in their writing, that there are six advantages to using e-government. First, increasing the efficiency of government institutions in processing data. Second, improving online services through better understanding user needs. Third, share information and ideas between all government agencies and departments to build one mega data base. Fourth, it helps the government's economic policy objectives by promoting the productivity gains inherent in ICT and electronic commerce. Fifth, increase transparency, accuracy and facilitate information transformation between government and customers. Sixth, help build trust between government and citizens by using internet-based strategies to involve citizens in the policy process, illustrating government transparency and accountability [9][10].

However, on the other hand, communication and information technology can also be a challenge in its implementation in the government domain. As explained by Alshehri and Drew in their writing, there are four categories of challenges that the government must face in utilizing communication and information technology. First, the technical category, which is related to challenges in providing ICT infrastructure, privacy and security. Second, the organizational category relates to leadership support, resistance in manual to electronic changes, collaboration and lack of human resource qualifications and training. Third, the social category, namely the digital and cultural divide. Fourth, the financial category, namely high costs [10]. Almost the same as what Signore, National, and Chesi found in their research, there are three main issues that become challenges in e-government. First, technical issues related to interoperability, privacy, security and multimodal interaction. Second, economic issues relate to costs, maintenance and reuse. Third, social issues relate to accessibility, utilization and acceptance [11]. This is also in line with what was found by Pangaribuan, 2019 that "challenges in implementing e-government in developing countries are lack of ICT infrastructure, lack of information security and privacy, lack of proper planning, lack of public awareness, cultural resilience, institutional and politics and lack of budget" [12].

In Indonesia, the use of ICT in the government realm is marked by the Instruction of the President of the Republic of Indonesia Number 3 of 2003 concerning National Policy and Strategy for E-Government Development. This policy is expected to harmonize the understanding, steps and actions of all elements of government from central to regional levels

in the use and development of ICT. In 2018, this rule was reaffirmed with the Presidential Regulation of the Republic of Indonesia Number 95 of 2018 concerning Electronic-Based Government Systems or it called SPBE. This is also an effort to support the realization of clean, effective, transparent and accountable government governance as well as quality and trustworthy public services. In addition, this regulation was issued to improve the integration and efficiency of electronic-based government systems through governance and management of electronic-based government systems nationally. What is meant by governance in this case is the framework that ensures the implementation of regulation, direction and control in the implementation of SPBE in an integrated manner. Meanwhile, performance management referred to in this case is a series of processes to achieve effective, efficient and sustainable SPBE implementation, as well as quality SPBE services. This rule is strengthened by the Regulation of the Minister for Empowerment of State Apparatus and Bureaucratic Reform of the Republic of Indonesia No. 5 of 2018 concerning Guidelines and Evaluation of Electronic-Based Government Systems. This rule is intended to measure progress in the implementation of the Electronic-Based Government System in Central and Regional Government Agencies so that the quality of SPBE implementation is more guaranteed.

Based on the Decree of the Minister for Empowerment of State Apparatus and Bureaucratic Reform No. 108 of 2023 concerning the Results of Monitoring and Evaluation of Electronic-Based Government Systems in Central and Regional Government Agencies in 2022, there are 16 government agencies with a Very Good rating. One of them is the Denpasar City Government. In 2021, this agency received a Good rating with a score of 3.19. However, in 2022 this city succeeded in improving its predicate to Very Good with a score of 3.68.

Apart from that, Denpasar City is one of the regions in Indonesia that has extraordinary tourism potential. In 2019 the number of tourist visits in Denpasar City reached 2,166,192. However, with the Covid-19 pandemic, in 2020 the number of tourist visits to tourist attractions in Denpasar City was 478,688 or decreased by 77.90% and in 2021 it fell again to reach 474,381 visits. However, in 2022, tourism visits will begin to increase, reaching 1,436,894 visits or an increase of 202.90% from the previous year [13]. This means that currently the tourism sector in Denpasar City is starting to revive.

It is hoped that the increase in SPBE predicate and value for the Denpasar City Government will also be in line with the increase in the performance of the Denpasar City Tourism Office. This can be seen through the achievement of the vision through the mission of the Tourism Office in implementing tourism marketing development programs, tourism destination development programs and tourism resource and creative economy development programs with the aim of realizing quality and competitive cultural tourism.

In connection with this, the researchers looked at the level of e-government implementation in public sector marketing that has been carried out by the City of Denpasar in managing its tourism potential. Therefore, the title taken in this research is "E-Government Development to Support the Marketing of Denpasar City's Tourism Potential in the Digital Era.

2   Research Method

This research uses a qualitative approach with a case study method. Qualitative research is research carried out through a process of exploring and understanding individual and group behavior, describing social problems or humanitarian problems, and the final activity is

making a report into a flexible structure as explained by Cresswel, 2013 [14]. The data sources used are primary data obtained through observation and interviews through purposive sampling as well as secondary documents obtained through document and literature studies. This analysis was carried out using the Miles and Huberman model through data reduction activities, data display and drawing conclusions.

3 Results and Discussions

The research results show that in general marketing is very important in increasing local and foreign tourist visits. Appropriate marketing will have the opportunity to increase visits by potential tourists to Denpasar City. The results of the interview show that there are two types of promotions that have been carried out by the Denpasar City Government, especially the Tourism Office. Firstly, routine promotion, namely promotion through social media, booklets, e-books, websites related to natural, cultural and artificial tourist attractions. The two specific promotions, namely promotions with a budget sourced from APBD funds, consist of Virtual Top Table, Virtual Sales Mission and Tourism Gathering.

Virtual Top Table was carried out to maintain Denpasar City's tourism branding through collaboration with tourism actors. This activity is carried out by utilizing technology and an online meeting platform that can accommodate many participants. Virtual Sales Mission is a virtual activity that invites travel agents both at home and abroad. Meanwhile, the Tourism Gathering is an activity in the context of socializing the implementation of Balinese Cultural Tourism and Risk-Based Business Licensing towards a Rising Denpasar. This activity was carried out in order to strengthen communication and energy in an effort to revive tourism during the Covid-19 pandemic.

Apart from that, in promoting tourism in the Digital Era, the Denpasar City Government has carried out various digital innovations. This innovation helps the Denpasar City Government expand the reach of tourism promotions, increase the visibility of cultural destinations and provide interactive experiences to tourists. The first innovation is the Denpasar Prama Sewaka (DPS) Mobile Application. The DPS application (meaning Denpasar is ready to serve you) was launched in 2021. This application is an update of the previous application launched in 2018 called Pro Denpasar+. There are various features offered through the DPS application ranging from tourist and cultural information, public services to submitting complaints and requests for information. Through this application, it is hoped that it will be a way for the Denpasar City government to make it easier for tourists to access information related to tourism and culture as well as events that will be held in Denpasar City. However, unfortunately the limitation of this mobile application is that it is currently only available on Android phones and not yet available on iOS phones.

Second, the use of social media. The research results show that another effort that has been made by the Denpasar City Government in tourism marketing is through the use of social media. Such as Instagram, Facebook, Youtube and Tik Tok. One of the social media used to promote tourism in Denpasar City is Instagram. The Instagram account used in the first tourism promotion was @discoverdenpasar. This account promotes tourism potential in Denpasar, especially 6 tourist villages and 70 tourist attractions. Apart from Instagram, the social media used in tourism promotion in Denpasar City are YouTube and Facebook. There are two government YouTube accounts used to promote tourism in Denpasar City, namely

@denpasartourism and @denpasarkota57. Meanwhile on Facebook, the account used is the Denpasar City Government with 18 thousand followers.

Third, development of an official government website. The research results also show that there is an official Denpasar City government website for tourism promotion with the address https://www.denpasarkota.go.id/home. This website has various features. One of them is tourism. Tourism features are divided into cultural tourism, religious tourism, natural tourism, historical tourism and culinary tourism. From this feature, tourists who will visit can see various information related to tourism destinations in Denpasar City along with information related to the most popular tourism destinations. Meanwhile, the special website for tourism promotion is https://denpasartourism.com/home. This website specifically contains tourism destinations in Denpasar City as well as the latest events that will be held. This website also provides accommodation which can provide more complete information to tourists.

Fourth, making E-Booklets and E-Books. The research results also show that the Denpasar City Government, especially the Denpasar City Tourism Office, has made innovations in the form of booklets and e-books. Fifth, collaborate with Influencers and create codes. The research results show that another effort that has been made by the Denpasar City government in marketing the tourism sector is by inviting YouTubers and Celebrities to certain events. Apart from inviting YouTubers and Celebrities, promotions were also carried out by creating a mascot called Kodar (Denpasar City). Kodar is a mascot that promotes the entire city of Denpasar, including its tourism sector, through videos uploaded to the official Youtube of the Denpasar City government, namely the Denpasar City Channel.

Sixth, Denpasar City Public Radio (RPKD). The research results show that Denpasar City has a radio managed by the Denpasar City Communication and Information Service, namely Denpasar City Public Radio (RPKD) 92.6 FM. This radio can be used to support the promotion of the tourism sector in Denpasar City. Furthermore, the research results show that RPKD not only broadcasts conventionally, but also through streaming and podcasts. One of the reasons for this broadcast was to promote the tourism sector in Denpasar City.

Based on the research results presented above, it can be seen that the Denpasar City Government has utilized Communication and Information Technology in marketing the tourism sector. Various efforts have been made, considering that the Covid-19 pandemic has caused a decline in the level of tourist visits, both local and foreign, to Denpasar City. The various efforts that have been made in marketing, both routine and specific marketing, show that the Denpasar City Government has been adaptive in dealing with the current situation. Certain marketing activities through Top Table, Sales Mission and Tourism Gathering should have been programs carried out before the pandemic, but the pandemic requires the Denpasar City Government to be adaptive by utilizing technology so that all these activities are carried out virtually.

The results of research conducted by Țigănaș et al., [8] show that public marketing is not yet significantly present in local public institutions. However, the research we conducted shows that public sector marketing is now present in local public institutions, especially the Denpasar City Government. Even now, it can be seen that marketing is carried out to meet the demands of the modern era and the development of new technology, as in a study conducted by (Shemyatikhina et al., 2020). The existence of digital transformation and the Covid-19 pandemic has caused changes in the marketing methods carried out by the Denpasar City Government. This is in line with studies conducted by Vărzaru [15] and de Matos et al., [7].

Meanwhile, if analyzed based on the e-government evaluation model prepared by the United Nation (UN), then the stage of e-government development in promotion as part of tourism sector marketing in Denpasar City is currently in the fourth stage, namely

transactional. The first stage, namely emerging, has been passed by the Denpasar City Government. The first stage, emerging, is the initial stage which only consists of displays on the official government website which provide static data without any channels for interacting with users/the public. This can be seen through the research that has been presented that the Denpasar City government has an official website, social media, and even applications that provide static data that can be accessed by the public. However, currently it can be seen that official websites, social media and even existing applications provide channels for people to interact in two directions. Therefore, the second stage, namely enhanced, has also been passed by the Denpasar City Government. The second stage, enhanced, is an upgrade from the first stage by creating a link containing information about the services provided and containing various important documents such as regulations, service information, government news and so on. Likewise, the third stage, namely interactives, has also been passed by the Denpasar City Government. The third stage, interactive, is the stage when the government has provided initial channels or channels for interacting with users/society, such as providing forms that can be downloaded and filled in by the public. At this stage the interaction that occurs is usually only one way.

The fourth stage is the stage currently being carried out by the Denpasar City Government, especially in developing e-government for the promotion of the tourism sector. The fourth stage is an upgrade from the third stage, transactional, where two-way interactions have been carried out between the government and the community. As in the Layne & Lee and Hiller & Bellanger models, this stage describes public service transactions in terms of tourism facilitated by the internet network. Even though currently there are channels to increase two-way interaction between the government and the community, this stage is still not fully implemented because the provision of services in the context of tourism has not yet reached the point of tourism transactions which can be carried out online via the internet network.

4   Conclusions

Currently, the Denpasar City government is at the fourth stage of e-government, namely transactional in public sector marketing. Two-way interactions have been carried out between the government and society. Apart from that, this stage describes public service transactions in terms of tourism that are facilitated by the Internet network. Even though there are channels to increase two-way interaction between the government and the community, this stage is still not fully implemented because the provision of services in the context of tourism has not yet reached the point of tourism transactions can be carried out online via the internet network.

References

[1]   CCSA, "How COVID-19 is changing the world: a statistical perspective Volume III," *Comm. Coord. Stat. Act.*, vol. III, no. March, pp. 1–88, 2021.

[2]   D. Uno, Sandiaga Salahuddin, "Tren Industri Pariwisata 2021," Jakarta, 2021.

[3]   BPS, "Kunjungan wisatawan mancanegara pada Februari 2023 yang tumbuh 567,27 dibandingkan Februari 2022 dan Jumlah penumpang angkutan udara domestik selama Januari-Februari 2023 sebanyak 9,3 juta orang," 2023. [Online]. Available: https://www.bps.go.id/pressrelease/2023/04/03/1976/kunjungan-wisatawan-mancanegara-pada-februari-2023-yang-tumbuh-567-27-dibandingkan-februari-2022-dan-jumlah-penumpang-

angkutan-udara-domestik-selama-januari-februari-2023-sebanyak-9-3-juta-orang.html#:~:t. [Accessed: 04-Apr-2023].

[4]   S. Kemp, "Digital 2022: Indonesia — DataReportal – Global Digital Insights," 2022. [Online]. Available: https://datareportal.com/reports/digital-2022-indonesia?rq=indonesia. [Accessed: 05-Apr-2022].

[5]   M. A. Rizaty, "Pengguna Internet di Indonesia Sentuh 212 Juta pada 2023," 2023. [Online]. Available: https://dataindonesia.id/digital/detail/pengguna-internet-di-indonesia-sentuh-212-juta-pada-2023. [Accessed: 04-Apr-2023].

[6]   Kemenparekraf, "Wisatawan, Strategi Digital Tourism dalam Menggaet," 2021. [Online]. Available: https://kemenparekraf.go.id/ragam-pariwisata/Strategi-Digital-Tourism-dalam-Menggaet-Wisatawan. [Accessed: 04-Apr-2023].

[7]   N. de Matos, M. B. Correia, J. R. Saura, A. Reyes-Menendez, and N. Baptista, "Marketing in the public sector-benefits and barriers: A bibliometric study from 1931 to 2020," *Soc. Sci.*, vol. 9, no. 10, 2020, doi: 10.3390/SOCSCI9100168.

[8]   A. Ţigănaş, T. Ţiclău, C. Mora, and L. Bacali, "Use of public sector marketing and leadership in Romania's local public administration," *Rev. Cercet. si Interv. Soc.*, vol. 34, no. 1, pp. 212–233, 2011.

[9]   M. A. Alshehri and S. Drew, "Implementation of e-Government: Advantages and Challenges," *Int. Conf. E-Activity Lead. Technol. 2010*, pp. 79–86, 2010.

[10]   M. Alshehri and S. Drew, "E-government fundamentals," *IADIS Int. Conf. ICT, Soc. …*, 2010.

[11]   O. Signore, I. National, and F. Chesi, "E-Government : Challenges and Opportunities," no. June, 2015.

[12]   A. A. Pangaribuan, "Journal of Public Administration Studies The Challenges of E-government Implementation in Developing Countries," vol. 1, no. 4, pp. 26–29, 2019.

[13]   P. D. T. W. K. Denpasar, "Perkembangan kunjungan wisatawan ke daya tarik wisata di kota denpasar tahun 2018 - 2022," p. 19630502, 2023.

[14]   J. Cresswel, *Qualitative, quantitative, and mixed methods approaches*. 2013.

[15]   A. A. Vărzaru, "Assessing Digital Transformation Acceptance in Public Organizations' Marketing," *Sustain.*, vol. 15, no. 1, 2023, doi: 10.3390/su15010265.