

Millennials And The Era Of Society 5.0: Digitalized Transformation Tourism In Indonesia

Dian Kagungan¹, Yulia Neta²

¹Public Administration Departement, Faculty of Social and Political Sciences, University of Lampung,
Jl. Sumantri Brodjonegoro 1 Bandar Lampung, 35141

²Constitutional Law, Faculty Of Law, University of Lampung, Jl. Sumantri Brodjonegoro 1 Bandar
Lampung, 35141

Corresponding author: Dian Kagungan. E-mail: dian.kagungan@fisip.unila.ac.id



Abstract: This research aims to analyze the role of Generation Z in transforming the tourism industry in Indonesia, particularly in driving the rapid growth of digitalization in the modern era. As a generation that has grown up with internet technology, mobile devices, and social media, Gen Z plays a crucial role not only as consumers of tourism services but also as active contributors to digital content that shapes destination popularity. This research employs a qualitative method with a descriptive discussion approach, utilizing secondary data obtained from journals, articles, reports, and other relevant literature. The findings indicate that Generation Z significantly influences the promotion and development of tourist destinations through digital platforms. They actively share travel recommendations, visual content, and reviews on social media platforms such as Instagram, TikTok, and YouTube, functioning as “digital marketers” who indirectly support tourism branding efforts. The study further reveals that Gen Z travelers prefer personalized, authentic, and experience-based tourism activities. They seek unique destinations that offer cultural richness, natural beauty, and opportunities for meaningful engagement. Their digital participation has also created new trends in tourism consumption, including real-time sharing and viral destination phenomena. Additionally, the study highlights that digitalization driven by Gen Z enhances the global competitiveness of Indonesian tourism by increasing visibility, expanding promotional reach, and encouraging innovation among tourism stakeholders. Overall, the findings underscore the strategic potential of Generation Z as both consumers and promoters in accelerating Indonesia’s tourism digitalization, making them a key demographic in shaping the future of the tourism industry.

Keywords: Generation Z, Tourism, Digitalization, Transformation, Social Media

INTRODUCTION

Indonesia is one of the largest archipelagic countries in the world, with diverse sectors that can increase the country's foreign exchange earnings. One such sector is tourism, which is the largest contributor to foreign exchange. From 2015 to 2019, the tourism sector in Indonesia experienced rapid growth. According to a press release from the Ministry of Tourism on August 22, 2019, on the website www.okezone.com, foreign exchange earnings from the tourism sector reached its highest peak at the end of 2018 with a value of more than USD 19.2 billion.

Tourism has undergone a significant shift from conventional modes to digital technology-based concepts such as social media platforms. Promotion utilizing internet technology is called electronic tourism, which provides easy access to information anytime and anywhere (Komalasari et al., 2020). The transformation through the use of

digital media enhances the tourist experience and adds value to promoting tourism destinations (Neuhofer et al. in Herlina, 2022).

Digital media, information and communication technologies, and technology networks offer opportunities for tourists to participate in the marketing, production, and design of their own services, ultimately creating added value. Cabiddu et al. emphasize the importance of using digital media as a resource that can be activated to facilitate shared value creation (Herlina, 2022).

Generation Z is projected to be the largest group of travelers. This generation grew up and evolved alongside technological advancements. They spend most of their time online, researching information, planning trips, and sharing their experiences in real time on Instagram, TikTok, and YouTube.

The use of online technology can be maximized as a communication tool, information provider, negotiation tool, and a means of narrowing communication gaps without the constraints of distance and time (Hasan, 2015 in Trihayuningtyas et al., 2018). Gen Z is a key driver of digitalization in the tourism industry and demands innovation, personalization, and sustainability.

This study aims to analyze the role of Gen Z in the transformation of Indonesian tourism, Gen Z's contribution to the use of digital technology, and how digitalization increases the competitiveness of Indonesian tourism at the global level.

LITERATURE REVIEW

Tourist

Tourism is the activity of temporary travel from one location to another for the purpose of enjoying the journey (Yoeti, 1996:118 in Suryani, 2017). The World Tourism Organization (WTTC) defines tourism as the activity of people traveling and staying outside their usual place of residence. The UNWTO (2007 in Utami et al., 2021) states that tourism is a phenomenon involving social, cultural, and economic aspects.

Digitalization of Tourism

Tourism digitalization is the process of integrating digital technology into aspects of the tourism industry, such as marketing, promotion, destination management, and travel experiences. Digitalization refers to the transformation of conventional information into digital formats. Tourism digitalization began with the emergence of e-commerce, which transformed the way tourism products and services are sold (Mariani et al., 2022).

Digital Transformation

Digital transformation is a shift based on digital technology that facilitates changes in business operations and creates value (Libert et al., 2016). Digital transformation increases effectiveness and efficiency through the use of information technology (Danuri, 2019 in Farhani et al., 2021).

The Role of Gen Z in Tourism

Generation Z is considered a crucial group in tourism promotion. They are highly creative in disseminating digital information and can contribute to the development of a positive image for tourist destinations (Simanungkalit, 2022). Gen Z enjoys unique, meaningful, social, and interactive travel experiences (Diwyarthi, 2023).

RESEARCH METHODS

This research is a qualitative research using empirical materials such as case studies, personal experiences, interviews, observational texts, and visuals that describe the meaning of individual life (Denzin & Lincoln in Neergaard and Ulhøi, 2007).

The research method used was qualitative, with a descriptive analysis. This study utilized secondary data from journals, articles, and other literature as supporting material. The results shed light on the role of Gen Z in driving the digitalization of tourism in Indonesia. It is hoped that this research will serve as a foundation for policymakers and researchers to improve the digitalization of tourism in Indonesia.

RESULTS AND DISCUSSION

Gen Z as a Driver of Digitalization in the Tourism Industry

Generation Z, born between 1996 and 2012, is a key force in digital transformation, including tourism. They grew up with technology, the internet, mobile devices, and social media, so they have high expectations for fast access to information and online activities. These expectations influence how they travel and shape tourism industry trends.

Gen Z uses technology to plan, experience, and share travel experiences. They act as "digital marketers" on Instagram, TikTok, and YouTube, sharing travel recommendations, sights, and unique tips. Their content helps shape global tourism trends and encourages destinations to be more open to technology.

Gen Z seeks personalized and unique experiences, chooses authentic destinations, and leverages technology to quickly access information about hidden gems. They use travel apps and booking sites to customize trips to their preferences, and real-time reviews on social media are a more trusted source of information than traditional promotions.

Gen Z is one of the most frequent travelers, accounting for approximately 29% of domestic Indonesian tourists. They use social media platforms like Instagram and TikTok as their primary source of travel inspiration and actively plan trips through these platforms.

Technological advancements are making digital tourism increasingly relevant. Gen Z seeks information, shares experiences in real time, and creates viral effects that boost destination popularity. Technologies such as travel apps, online reservations, and virtual experiences are being leveraged at every stage of the journey, empowering them to become more independent in managing their trips.

Social media has become an effective marketing tool, with over 91% of users searching for travel information. Instagram, TikTok, and YouTube are used to share photos, videos, reviews, and stories that influence audiences to visit the same destinations. When a destination goes viral, its popularity increases dramatically. Gen Z content serves as a reference for other travelers and creates a promotional ecosystem for the tourism industry.

Generation Z, which makes up around 27% of Indonesia's population, plays a crucial role in advancing tourism, particularly through digitalization. They are transforming the way people plan and enjoy travel, and influencing destination promotion. Industry players must adapt to digital trends, leveraging social media and digitizing services, as Gen Z are agents of change contributing to the growth of the tourism sector.

Technological Innovations Utilized by Gen Z in Tourism

The tourism industry is undergoing significant transformation with the development of digital technology, with social media becoming a key tool for promoting and developing tourist destinations. Gen Z plays a crucial role, having grown up amidst technological advancements and becoming both consumers and producers of content that influences travel trends and decisions.

Technological innovations through Instagram, TikTok, and YouTube are opening new opportunities for tourism as Gen Z creates and disseminates content that drives travel interest, shares real-time experiences, and builds digital communities that support interactions between tourists and destinations. Social media facilitates two-way interaction and combines personal and public communication (Paramitha in Raznilawati, 2021; Solihat et al., in

Rahayu et al., 2024), making it an effective promotional tool for companies and tourism destination managers.

Content creators like Ishowspeed, who use IRL streaming, have significant potential to promote Indonesian destinations because the format allows for sharing firsthand and authentic experiences, showcasing the destination's beauty, atmosphere, local interactions, and spontaneous moments in real time. Their presence can encourage Gen Z to explore Indonesian destinations. With a large following and high engagement, IRL content expands the reach of tourism promotions to the global market through YouTube.

Digital transformation through influencers like IShowSpeed has demonstrated a significant impact on destination promotion. Its live broadcasts, watched by over 1 million viewers, provided global exposure for Jakarta and Bali and introduced local culture firsthand. It fostered a deep interaction between tourists and local culture, aligning with digital transformation theory, which emphasizes adapting technology to enhance the user experience. This demonstrates the importance of content creator engagement amidst increasingly dynamic, interactive, and personalized media consumption trends.

The Impact of Social Media on Gen Z Travel Trends

Social media has had a significant impact on Gen Z travel trends, a generation that grew up with the development of digital technology. Platforms like Instagram, TikTok, and YouTube play a key role in determining popular travel destinations through engaging visual content. Gen Z seeks unique and instant travel experiences, inspired by trends from influencers and peers.

Social media has become both a source of inspiration and a powerful promotional tool for the tourism industry. Viral destinations often experience a surge in young visitors. Gen Z favors sustainable and authentic tourism, promoted through social media campaigns about social and environmental responsibility. Social media is transforming the way they choose destinations, plan, document, and share their travel experiences.

Many reasons motivate Gen Z to travel. Seeking new experiences is a primary reason, as they value experiences over material possessions. Travel provides opportunities to discover new things, learn about other cultures, try different cuisines, and explore new places. The influence of social media is powerful; Instagram and TikTok are sources of inspiration from friends' or influencers' travel content, which encourages them to visit similar destinations (Pradhana et al., in Haratikka and Silitonga 2023).

Education and personal development are also motivations, as travel is seen as an opportunity to learn about culture, language, and volunteering. Social interaction is another motivation; Gen Z is a social generation seeking travel to meet people from diverse backgrounds. Group trips or hostel stays are often chosen for networking. Avoiding stress is also important, as the pressures of school, work, and social environments make travel a way to refresh the mind.

Challenges and Opportunities in the Digital Era for Indonesian Tourism

The digital era has brought significant changes to Indonesia's tourism industry. Digital technology opens up new opportunities to promote tourist destinations and enhance the tourist experience, but it also presents challenges that must be addressed. Both opportunities and challenges arise in developing Indonesian tourism in the digital era.

• Opportunities in the Digital Age

1. Global Tourism Destination Promotion

With digital advancements, Indonesian tourism has become easier to promote globally. Digital tourism has become an effective means of promoting Indonesia's natural wealth. Digital tourism is the integration of Information and Communication Technology (ICT) with the tourism sector to increase efficiency, provide easier tourism services,

and facilitate tourism marketing through telematics. In Indonesia, this concept is still relatively new and has not received sufficient attention. The use of the internet as a promotional tool is emphasized to introduce destinations in each region (Puspita et al., 2023).

2. Experience Tour Which More Interactive

Digital technologies like AR and VR are changing the way travelers explore destinations. AR combines digital elements with the physical environment through smartphones, tablets, or specialized glasses. VR creates digital simulation environments to mimic real or fantasy experiences (Amalia, 2024).

3. Booking On line And Digital Marketing

Online booking is now easier than ever with platforms like Booking.com, Airbnb, and Traveloka. Travelers book flights, accommodations, and activities online. Digital marketing through social media and online advertising allows destinations to efficiently reach a global audience.

• Challenges in the Digital Era

1. Limited Internet Access

While digitalization offers opportunities, limited internet access in some areas hinders the progress of digital tourism, limiting tourists' ability to search for information and book tickets online.

2. Data Security

One of the biggest challenges in the digital age is data protection, as travel websites and online booking platforms collect a significant amount of sensitive information. Customers need to feel confident that their personal data is protected.

3. Environmental Issues

Increasing flight frequency and exploitation of natural resources can have a negative impact on the environment, so sustainability aspects need to be considered.

4. Fierce Competition

Competition is intensifying with the emergence of many new digital tourism players. Companies must continuously innovate and improve their services to stay relevant. Reliance on digital platforms also poses risks if policies change or costs increase.

Strategies to Optimize the Role of Gen Z in Digital Tourism

Optimizing the role of Gen Z is crucial to unlocking their immense potential. Some strategies include:

1. Utilization Media Social For Tourism Promotion

Gen Z influencers can be used to promote destinations through Instagram, TikTok, and YouTube. Creative content like short videos and social media challenges can encourage Gen Z to participate in tourism promotions.

2. Implementation of Digital Tourism

Building digital infrastructure like fast internet and booking apps is crucial. Virtual tours using VR can be an option for Gen Z to explore destinations before visiting in person.

3. Collaboration with MSMEs

Gen Z supports local businesses. Involving MSMEs in local tourism packages and events creates unique experiences while empowering the local economy.

4. Special Program for Gen Z

Discounts and incentives for Gen Z who share their travel experiences on social media can increase visits. Events like culinary festivals or concerts can attract them.

5. Environmental Education and Awareness

Raising awareness about sustainable tourism is important because Gen Z cares about environmental issues.

The role of the tourism industry in the 4.0 era is increasingly important with technological advancements. Approximately 70% of information searching and sharing activities are conducted through digital devices (Rizkinaswara, in Amelia and Prasetyo, 2023). Social media must be supported by easy access via smartphones, from ticket bookings to searching for destination information (Kemenparekraf/Baparekraf RI, 2021). Digital technology simplifies travel planning.

According to the UNWTO (2008), tourism involves social, cultural, and economic phenomena. The use of digital technology increases the productivity of this sector. Purike et al. (2022) explain the stages of digital technology use:

- a) Planning: Booking online to be more easy And practical, with most ticket and accommodation bookings made through internet applications.
- b) During the trip: Smartphones become effective travel guides, helping tourists find tourist attractions, local food, and souvenirs.
- c) After the trip: The habit of sharing travel experiences on social media is becoming a growing trend among travelers.

Post-pandemic Tourism 4.0 combines technology and human resources for superior service. Technology enriches the travel experience and increases industry productivity. Approximately 70% of travelers search for and share information through digital platforms. This segment holds significant influence due to its growing market and strong influence (Shobari, in Amelia and Prasetyo, 2023).

The Future of Indonesian Tourism in the Digital Era

Tourism is an economic sector with significant growth potential in Indonesia. The global tourism industry is estimated to reach US\$1.8 trillion by 2025. Indonesia's strategic location, natural and cultural richness, offers significant opportunities to dominate the global market. However, the Indonesian tourism sector faces challenges due to intense global competition and the rapid development of digital technology. Tourists are now more dynamic and seek memorable experiences, requiring industry players to innovate and utilize digital technology.

Some important steps to ensure Indonesian tourism remains competitive include:

1. Strengthening national tourism branding such as "The Charm of Indonesia" must be packaged creatively through various digital platforms such as social media, tourism portals, mobile applications, and AR/VR technology, through collaboration between the government, business actors, and the digital creative community.
2. Developing a digital infrastructure that is evenly distributed across all leading tourist destinations. The availability of fast internet, cashless payment facilities, integrated tourism information systems, and augmented reality technology must be enhanced to provide convenience and appeal to modern travelers.
3. Improving the capabilities of human resources in the tourism sector in marketing, booking management, and tourism services needs to be improved so that they can utilize digital technology for competitiveness and service quality.

4. Developing technology-based creative content such as live streaming, virtual tours, travel blogs, and travel education apps can stimulate tourists' interest in visiting Indonesian destinations.

5. Creating a national tourism booking platform that prioritizes natural and cultural beauty must collaborate with stakeholders to attract local and international tourists.

6. Supporting the development of sustainable tourism, ecotourism, as well as the use of appropriate technology and the development of sustainable tourism is necessary to maintain the preservation of nature as the main asset of national tourism. Advances in digital technology have had a significant impact on tourism. Indonesia has significant potential in digital tourism, but its contribution to GDP remains at around 5%, indicating untapped potential. Digital technology can be a key driver of improved tourism performance through the integration of branding, promotion, distribution, and digital services.

Required steps include improving human resource skills, developing technological infrastructure in destinations, developing creative digital marketing, and collaborating with stakeholders to develop a national digital tourism platform. The "Wonderful Indonesia" branding must be packaged innovatively and disseminated through digital media with real-time promotion on social media.

Developing digital infrastructure such as high-speed internet, integrated tourism information systems, and cashless payments is crucial. Human resources require digital literacy to provide optimal service. Immersive content such as destination profile videos, AR, and VR play a crucial role in tourism promotion.

A national digital tourism platform must be developed through collaboration between various parties to attract domestic and international tourists. Significant investment is needed to compete with TripAdvisor and Airbnb. Community-based tourism, such as culinary, agrotourism, and arts and culture, needs to be integrated with digital platforms to boost the local economy and preserve culture.

By optimizing digital technology, Indonesian tourism is expected to be able to increase its global competitiveness through continuous innovation and collaboration.

CONCLUSION AND SUGGESTIONS

Generation Z, born between 1996 and 2012, plays a key role in the digitalization of the tourism industry, having grown up with technological advancements and thus become highly familiar with the internet and social media. Platforms like Instagram, TikTok, and YouTube are used to plan trips and promote destinations, making Gen Z not only consumers but also "digital marketers" who make destinations go viral.

Around 29% of domestic tourists in Indonesia are from this generation. Gen Z seeks unique and authentic travel experiences and trusts user reviews more than traditional advertising. Over 91% of social media users in Indonesia use these platforms to find travel information, demonstrating the importance of social media as a tourism marketing tool.

This development brings challenges such as limited internet access in some tourist areas, personal data protection in online transactions, and the environmental impact of high travel frequency. To harness the potential of Generation Z in digital tourism, strategies such as social media promotion and digital infrastructure improvements are needed. These steps are crucial to maximize Indonesia's tourism potential, create jobs, increase foreign exchange, and ensure environmental sustainability. The digital era presents a golden opportunity for Indonesia to become a global economic power in the future.

REFERENCES

- [1]. Akib, E. (2020). Tourism in Educational Review: A Study Towards the Industrial Revolution Era. Pusaka: Journal of Tourism, Hospitality, Travel and Business Event, 1-8.
- [2]. Amalia, F. (2024). AUGMENTED REALITY (AR) AND VIRTUAL REALITY (VR) TECHNOLOGY: CHANGING THE WAY WE INTERACT WITH THE WORLD. Smart Technology Journal, 4(3).
- [3]. Amelia, V., & Prasetyo, D. (2023). The Benefits of Generation Z Digital Literacy as Tourist Destination Preferences and Tourism Promotion. Ideas: Journal of Education, Social, and Culture, 9(2), 377-386.
- [4]. Daeng, MF (2024) Gen Z Indonesia is the most enthusiastic about vacations, digital tourism is the main attraction, [kompas.id](https://www.kompas.id/baca/ekonomi/2024/07/23/gen-z-indonesia-paling-getol-digital-tourism-holidays-become-the-main-attraction). Accessed on date 07 October 2024, from <https://www.kompas.id/baca/ekonomi/2024/07/23/gen-z-indonesia-paling-getol-digital-tourism-holidays-become-the-main-attraction>
- [5]. Dewanto, RF (2022). The Influence of Digitalization and Tourism Destination Image on Visitor Satisfaction Levels in Malang. JIE Journal of Economics, 6(4), 537-552.
- [6]. Diwyarthi, NDMS, Pratama, WA, Jata, IW, & Wiartha, NGM (2023). The Perspective of Gen Z of Bali Tourism Polytechnic on the Role of Social Media in Developing Culinary Business. Ganaya: Journal of Social Sciences and Humanities, 6(4), 959-967.
- [7]. Farhani, I., & Chaniago, H. (2021, September). Determinants of Digital Transformation of MSMEs: Evidence from Indonesia. In Proceedings of the Industrial Research Workshop and National Seminar (Vol. 12, pp. 1010-1015).
- [8]. Haratikka, H., & Silitonga, DH (2023). Tourism Travel Interests Among Generation Z in Tebing Tinggi. Altasia Indonesian Tourism Journal, 5(2), 101-111.
- [9]. Herlina, A. (2022). Digital Tourism: Transformation of Indonesian Tourism Marketing through the Government's Instagram and YouTube during the Covid-19 Pandemic. JOURNAL IPTEKKOM Journal of Information Science & Technology, 24(2), 200-215.
- [10]. Isdarmanto, I. (2020). Branding Strategy for Developing the Tourism Industry 4.0 through Competitive Multimedia in the Digital Era. Journal of Tourism and Creativity, 4(1), 1-20.
- [11]. Khoiriyah, S. (2023). The Urgency of Cultivating an Attitude of Tolerance in Gen Z.
- [12]. Komalasari, R., Pramesti, P., & Harto, B. (2020). E-Tourism Information Technology as a Digital Tourism Marketing Strategy. Altasia Indonesian Tourism Journal, 2(2).
- [13]. Kompasiana.com. (2024). Tourism Transformation in the Digital Era: Opportunities and Challenges, KOMPASIANA. Accessed on date 07 October 2024, from <https://www.kompasiana.com/shakira786110/66613eb1ed6415487f112dd3/transform-tourism-in-the-digital-era-opportunities-and-challenges>
- [14]. Kuntadi. (2019). Tourism surpasses oil and gas as the largest foreign exchange contributor at USD 19.2 billion: Okezone Economy. Accessed on date 07 October 2024, from <https://economy.okezone.com/read/2019/08/22/320/2095457/kalahkan-migas-tourism-contributes-the-largest-foreign-exchange-usd19-2-billion>
- [15]. Libert, B., Beck, M., & Wind, Y. (2016). 7 Questions to Ask Before Your Next Digital Transformation. Harvard Business Review.

-
- [16]. Mahadewi, NME (2018). Nomadic tourism, educational tourism, digitalization, and event tourism in developing homestay accommodation services in tourist destinations. *Tourism Journal*, 17(1), 1-13.
- [17]. Nurjanah, S. (2024) Ishowspeed to Indonesia: Tourism Promotion Through Streaming, CampusNet. Accessed on date 07 October 2024, from <https://campusnet.news/ishowspeed-ke-indonesia-promosi-pariwisata-melalui-streaming/>
- [18]. Puspita, TD, & Ismail, V. (2023). Analysis of Digital Tourism Development Strategy as Tourism Promotion. *Gemawisata: Scientific Journal of Tourism*, 19(1), 10-23.
- [19]. Rahayu, GS, Ainiah, SK, Zahra, RS, Trinarita, A., Soetadi, JZ, & Zakiyah, NSN (2024, May). THE INFLUENCE OF SOCIAL MEDIA ON DECISIONS GENERATION Z VISITS MARINE TOURISM. In *Indonesian Conference of Maritime* (Vol. 2, No. 1, pp. 262-272).
- [20]. Simanungkalit, RE (2022, July). The Role of Gen Z in the Development of History-Based Tourism. 2022 National Seminar-NBM Arts.
- [21]. Suryani, AI (2017). Local tourism development strategies. *Spatial Journal: Research, Applied Geographical Sciences, and Geographical Education*, 3(1).
- [22]. Trihayuningtyas, E., Wulandari, W., Adriani, Y., & Sarasvati, S. (2018). Social media as a means of information and tourism promotion for generation Z in Garut Regency. *Tourism Scientific Journal*, 4(1), 1-22.
- [23]. Utami, BSA, & Kafabih, A. (2021). Indonesia's tourism sector amid the COVID-19 pandemic 19. *Jdep*, 4(1), 8-14.
- [24]. Yudistia, B., & Wahyuni, ES (2024). THE ROLE OF GENERATION Z IN IMPLEMENTING RESPONSIBLE TRAVELING FOR SUSTAINABLE TOURISM. *Juremi: Journal of Economic Research*, 3(6), 837-842.