Impact Analysis of Digital Transformation and Bleisure on Tourist Productivity and Hospitality Sector Revenue in Indonesia

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Article Info	ABSTRACT
	This study investigates the impact of Digital Transformation and Bleisure (business and leisure combined) on Tourist Productivity and Hospitality Sector Revenue in Indonesia, employing a quantitative research design. A sample of 180 respondents was surveyed using a Likert scale, and the data were analyzed using Structural Equation Modeling with Partial Least Squares (SEM-PLS 3). The results indicate that Digital Transformation and Bleisure have significant positive effects on both Tourist Productivity and Hospitality Sector Revenue. Specifically, Digital Transformation enhances tourist productivity by providing digital tools that facilitate efficient travel planning and execution, while also contributing to higher revenue generation in the hospitality sector by optimizing operations and customer engagement. Similarly, Bleisure significantly boosts hospitality revenue by attracting business travelers who extend their stay for leisure purposes, and it enhances tourist productivity through a more enriching travel experience. The findings suggest that the integration of digital technologies and the promotion of Bleisure travel can provide competitive advantages to businesses in Indonesia's tourism and hospitality industries.
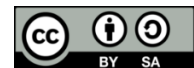
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1. INTRODUCTION

The tourism and hospitality industry plays a critical role in Indonesia's economic development, contributing approximately 12% to the country's Gross Domestic Product (GDP) and supporting around 200 million workers globally with an indirect impact on 800 million people [1]. This sector not only generates significant employment and foreign exchange earnings but is also evolving rapidly due to technological advancements and shifting travel behaviors, such as the rise of digital transformation and the increasing popularity of "bleisure" travel, which merges business and leisure activities. The COVID-19 pandemic underscored the strategic importance of digital tourism in promoting destinations and sustaining the industry amid crises, presenting opportunities to enhance the creative economy through social media and content creators, though challenges remain in terms of cultural literacy, awareness, and infrastructure [2]. Concurrently, "bleisure" travel is gaining

traction, supported by factors like direct flights, visa-free policies, and the expansion of MICE (Meetings, Incentives, Conferences, and Exhibitions) activities, which collectively offer a significant multiplier effect on both tourism and the creative economy [3]. While these trends present vast opportunities, they also pose challenges related to infrastructure, security, and government policies, requiring stakeholders to adapt strategically to optimize tourist productivity and sector revenue [1].

Digital transformation has revolutionized the way travelers plan, execute, and experience their journeys, with technologies such as online booking platforms, mobile applications, AI-driven personalization, and digital payment systems significantly enhancing both operational efficiency and customer satisfaction [4], [5]. These digital tools enable real-time decision-making and offer travelers personalized itineraries and immersive previews through innovations like smartphone applications and virtual reality [5]. For the hospitality sector, digital integration facilitates strategic growth by optimizing operations, increasing occupancy rates, and allowing real-time business adaptation essential for competitiveness, as seen in the U.S. hospitality industry [6], [7]. Furthermore, online booking systems and social media platforms foster better interaction between businesses and consumers, improving service quality and satisfaction [4]. Despite these benefits, the precise impact of digitalization on tourist productivity and sector-wide revenue remains underexplored, with challenges including the rapid pace of technological change and evolving consumer expectations that demand continuous innovation and supportive policies [6], [7].

Simultaneously, the rise of bleisure travel is reshaping traditional travel patterns. As professionals increasingly combine work commitments with leisure activities, they tend to extend their stays, utilize more premium services, and explore local attractions. This trend aligns with the post-pandemic shift in work culture, characterized by remote work flexibility and the emphasis on work-life balance. Bleisure travelers, often high-value customers, represent an untapped market segment for the Indonesian hospitality sector, with the potential to generate substantial revenue. Despite its growing significance, research on the economic and productivity implications of bleisure travel in Indonesia is still limited. This study aims to bridge these gaps by analyzing the impact of digital transformation and bleisure travel on tourist productivity and revenue generation in Indonesia's hospitality sector. The research seeks to answer critical questions: How does digital transformation influence tourist productivity and revenue? To what extent does bleisure travel contribute to the hospitality sector's financial performance?

2. LITERATURE REVIEW

2.1 Digital Transformation in Tourism and Hospitality

Digital transformation in tourism and hospitality is a multifaceted process that leverages technologies such as artificial intelligence (AI), machine learning, and big data to enhance customer experiences, optimize operations, and support data-driven decision-making—crucial elements for maintaining competitiveness in the sector [8], [9]. This transformation drives market growth and innovation, with digital travel sales projected to reach USD 855 billion by 2021, fueled by emerging technologies like blockchain, sharing economy platforms, and virtual reality that reshape business models and create new opportunities [10]. The integration of smartphone applications and immersive tools such as virtual reality has revolutionized how travelers plan and experience their journeys, while simultaneously

streamlining corporate operations and encouraging sustainable travel practices [11]. However, the path toward digital integration is not without challenges, including high implementation costs, data privacy concerns, limited digital literacy, the need for workforce adaptation, and infrastructural disparities—issues that require political support and strategic planning to ensure equitable and effective digital transformation [9], [12].

2.2 The Concept of Bleisure Travel

Bleisure travel, which merges business and leisure, is gaining popularity due to its dual benefits for travelers and the hospitality industry, driven by societal shifts, technological advancements, and economic changes that make it easier for business travelers to incorporate leisure into their trips [13]. This trend enhances work-life balance, reduces stress, and improves well-being by enabling professionals to unwind and explore new destinations during business travel [14], [15]. Economically, bleisure travelers spend up to 20% more than typical business travelers, boosting revenue for destinations while fostering longer stays, local tourism, and cultural appreciation [13], [14]. It also revitalizes regional tourism and encourages more adaptable corporate travel policies [15]. However, challenges persist, including time constraints, balancing responsibilities, budget management, and navigating unfamiliar locations—issues that can be addressed through itinerary planning, digital tools, and

partnerships with tourism agencies [16], [17]. For the hospitality sector, bleisure represents a valuable market segment, calling for flexible service packages and integrated marketing strategies that enhance tourist satisfaction, promote repeat visits, and create new growth opportunities for hotels, restaurants, and local businesses [14], [17]

2.3 Tourist Productivity

Digital tools have significantly enhanced tourist productivity by improving time management, reducing logistical barriers, and optimizing travel experiences through smart technologies such as itinerary planners, navigation apps, and e-ticketing systems, which empower travelers to maximize their trips efficiently [5]. The development of integrated booking platforms that consolidate hotel reservations, transportation, and event ticketing has further streamlined travel planning, with studies showing high user satisfaction and reduced booking time, including an 85% excellent rating for ease of use [18]. These advancements not only improve individual experiences but also yield broader economic benefits, as higher tourist productivity leads to increased spending, extended stays, and greater utilization of local services—factors that drive economic growth, job creation, and infrastructure development [19]. Moreover, monitoring tourist productivity is vital for sustainable development, offering strategic insights for policymakers and tourism stakeholders to identify growth

opportunities and ensure long-term sectoral resilience [19].

2.4 *Revenue Generation in the Hospitality Sector*

Revenue generation in the hospitality industry is shaped by pricing strategies, service quality, customer satisfaction, and emerging travel behaviors like bleisure travel, which increase average daily rates and ancillary spending on services such as dining and sightseeing [20]. Digital technologies, including global distribution systems and booking platforms, play a crucial role in facilitating dynamic pricing and improving service delivery, thereby enhancing customer satisfaction and profitability [12]. Dynamic pricing, value-based pricing, and premium pricing for exclusive experiences are among the key strategies used to maximize revenue, especially when aligned with real-time market demand[21]. The concept of Total Revenue Management (TRM) is gaining relevance, emphasizing revenue optimization across all hotel services beyond just room rates, supported by digital tools and skilled professionals to maintain competitiveness. Moreover, the evolution of revenue management from the airline industry to hospitality underscores the importance of dynamic inventory allocation and incorporates consumer behavior theories to refine revenue strategies [22], [23].

2.5 *Conceptual Framework*

Based on the reviewed literature, the study conceptualizes that digital transformation and bleisure travel influence tourist productivity and, in turn, revenue generation in the hospitality sector. Digital transformation enhances operational efficiency and customer experience, while bleisure travel drives higher spending and extended stays. Tourist productivity acts as a mediating variable, linking these factors to improved financial outcomes. The following hypotheses guide the study:
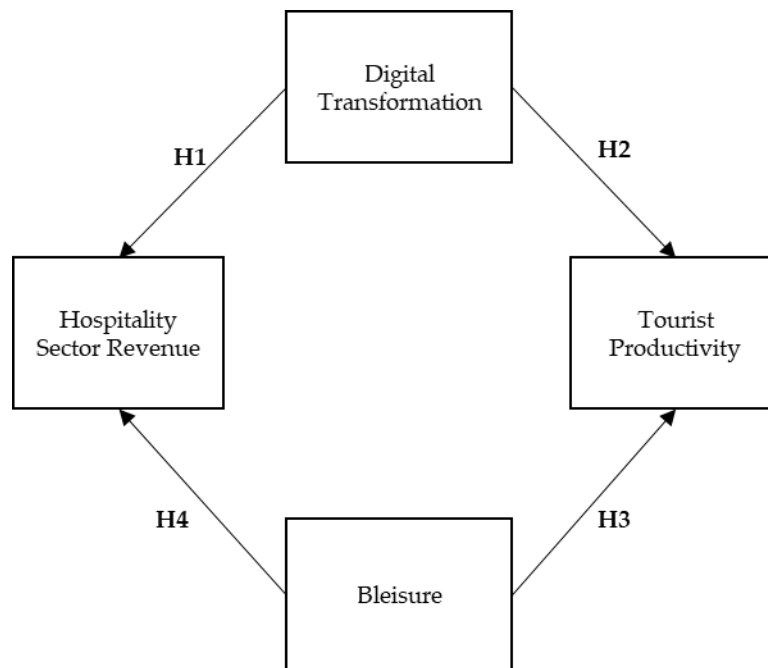
Figure 1. Conceptual Framework

3. METHODS

This study employs a quantitative research design to analyze the impact of digital transformation and bleisure travel on tourist productivity and revenue generation within Indonesia's hospitality sector. Data were collected using a structured Likert-scale questionnaire and analyzed through Structural Equation Modeling - Partial Least Squares (SEM-PLS 3), a method suitable for examining complex relationships among multiple variables. The study targeted tourists in Indonesia who had utilized digital tools during their travel or participated in bleisure activities. A purposive sampling technique was used to ensure that respondents had relevant experience, resulting in a sample size of 180 participants—adequate for SEM analysis, which requires at least ten times the number of indicators (Hair et al., 2014). Data collection was conducted online through social media, travel forums, and email lists, and the questionnaire was divided into four sections: demographic information, digital transformation, bleisure travel, and tourist productivity and revenue. Each item was rated on a 5-point Likert scale, and a pilot test with 20 respondents was conducted to validate the instrument.

The study examined three main constructs: digital transformation and bleisure travel as independent variables, hospitality sector revenue as the dependent variable, and tourist productivity as the mediating variable. Digital transformation was measured by ease of access to digital platforms, the usefulness of technology in trip planning, and user satisfaction. Bleisure travel was assessed through the frequency of combining work and leisure, integration levels, and spending behaviors. Hospitality sector revenue was evaluated based on indicators such as average trip spending, extended stays, and usage of ancillary services, while tourist productivity focused on time management, completed activities, and perceived travel value. SEM-PLS 3 analysis followed a two-stage approach: (1) measurement model evaluation to ensure reliability and validity using AVE (>0.5), composite reliability (>0.7), and the Fornell-Larcker criterion for discriminant validity; and (2) structural model evaluation using path coefficients, t-statistics, and p-values, with bootstrapping (5,000 subsamples) to confirm the robustness of the findings.

4. RESULTS AND DISCUSSION

4.1 Demographic Characteristics of the Sample

The demographic profile of the respondents (n = 180) reflects a relevant and diverse sample for the study on digital transformation and bleisure travel. A majority of respondents were male (58.9%), with females accounting for 41.1%. The age distribution was dominated by younger adults, with 30.6% aged 18–25, 42.8% aged 26–35, 18.9% aged 36–45, and 7.8% aged 46 and above. Educationally, 57.2% held a bachelor's degree, 27.8% had a master's degree or higher, and 15.0% had completed high school or below, suggesting a well-educated group familiar with digital tools. Occupationally, 45.0% were corporate employees, 27.8% were entrepreneurs, 15.6% were freelancers or consultants, and 11.6% fell into other

categories like students or retirees. In terms of travel frequency, 26.7% traveled 1–2 times per year, 43.3% traveled 3–5 times, and 30.0% traveled more than 5 times annually. Notably, 62.2% had engaged in bleisure travel, aligning with the study's thematic focus, while 71.1% reported frequent use of digital tools such as booking apps and navigation systems, highlighting the significance of technology in their travel behavior.

4.2 Measurement Model Evaluation

To ensure the reliability and validity of the constructs used in this study, the measurement model was evaluated based on several criteria: loading factors, Cronbach's alpha, composite reliability (CR), and average variance extracted (AVE). These metrics assess the consistency, reliability, and convergent validity of the constructs.

Table 1. Measurement Model Assessment

Variable	Code	Loading Factor	Cronbach's Alpha	Composite Reliability	Average Variant Extracted
Digital Transformation	DT.1	0.829	0.903	0.928	0.723
	DT.2	0.915			
	DT.3	0.884			
	DT.4	0.866			
	DT.5	0.747			
Bleisure	BL.1	0.882	0.871	0.911	0.719
	BL.2	0.904			
	BL.3	0.781			
	BL.4	0.820			
Tourist Productivity	TP.1	0.884	0.868	0.890	0.700
	TP.2	0.798			
	TP.3	0.790			
	TP.4	0.799			
Hospitality Sector Revenue	HR.1	0.831	0.894	0.921	0.700
	HR.2	0.815			
	HR.3	0.823			
	HR.4	0.856			
	HR.5	0.858			

Source: Data Processing Results (2025)

The measurement model assessment confirms that all constructs—Digital Transformation, Bleisure, Tourist Productivity, and Hospitality Sector Revenue—demonstrate strong reliability and validity. For Digital Transformation, factor

loadings ranged from 0.747 to 0.915, with a Cronbach's alpha of 0.903, Composite Reliability (CR) of 0.928, and Average Variance Extracted (AVE) of 0.723, indicating high internal consistency and convergent validity. The Bleisure construct also showed

robust metrics, with factor loadings between 0.781 and 0.904, a Cronbach's alpha of 0.871, CR of 0.911, and AVE of 0.719. Similarly, Tourist Productivity demonstrated strong loadings from 0.790 to 0.884, a Cronbach's alpha of 0.868, CR of 0.890, and AVE of 0.700. Lastly, Hospitality Sector Revenue had factor loadings between 0.815 and 0.858, a Cronbach's alpha of 0.894, CR of 0.921, and AVE of 0.700, all exceeding the recommended thresholds and confirming the constructs' reliability and validity.

Discriminant validity assesses the degree to which a construct is truly distinct from other constructs in the model. This ensures that each construct captures phenomena unique to itself. The Heterotrait-Monotrait (HTMT) ratio is a widely used criterion for evaluating discriminant validity. An HTMT value below 0.85 (or 0.90 in more lenient contexts) indicates satisfactory discriminant validity.

Table 2. Discriminant Validity

	BL	DT	HR	TP
Bleisure				
Digital Transformation	0.812			
Hospitality Sector Revenue	0.264	0.694		
Tourist Productivity	0.336	0.434	0.532	

Source: Data Processing Results (2025)

The Heterotrait-Monotrait Ratio (HTMT) analysis confirms adequate discriminant validity among all constructs in the model, with all HTMT values below the recommended threshold of 0.85. The HTMT between Bleisure and Digital Transformation is 0.812, suggesting some shared characteristics—such as the use of digital tools in bleisure travel—but confirming their conceptual distinction. Bleisure and Hospitality Sector Revenue (HTMT = 0.264) and Bleisure and Tourist Productivity (HTMT = 0.336) exhibit strong discriminant validity, reflecting minimal overlap between constructs. Similarly, the HTMT between Digital Transformation and Hospitality Sector Revenue (0.694) and between Digital Transformation and Tourist Productivity (0.434) further supports their differentiation despite potential influence. Lastly, the HTMT value of 0.532 between Hospitality Sector Revenue and Tourist Productivity indicates these constructs are distinct, although interrelated, such as in scenarios where improved tourist productivity can lead to increased revenue.
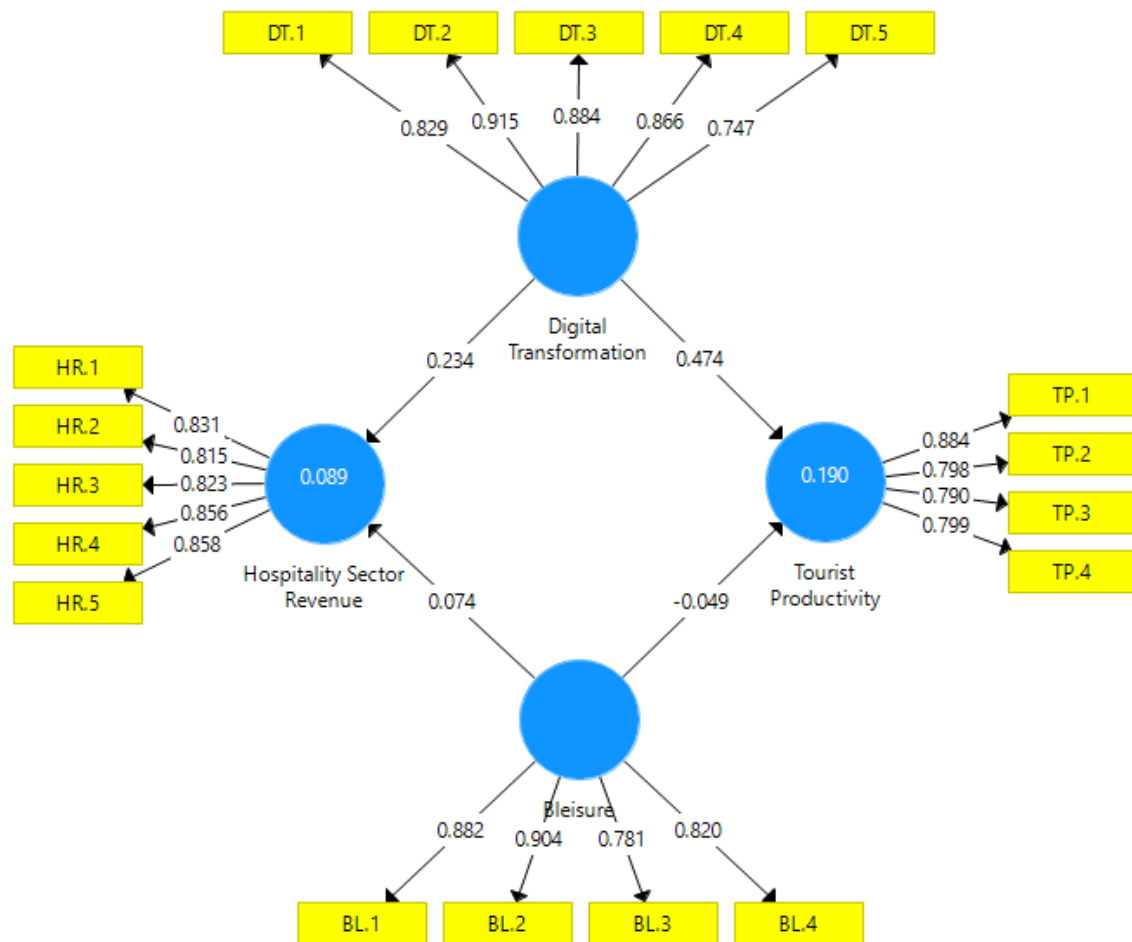
Figure 2. Model Results

Source: Data Processed by Researchers, 2025

4.3 Model Fit

Model fit assesses how well the hypothesized model represents the observed data. The evaluation includes several key indicators, such as the Standardized Root Mean Square Residual (SRMR), d_ULS, d_G, Chi-Square, and Normed Fit Index (NFI). Below is a detailed discussion of these model fit indices for both the saturated and estimated models.

Table 3. Model Fit Results Test

	Saturated Model	Estimated Model
SRMR	0.100	0.145
d_ULS	1.718	3.591
d_G	0.743	0.801
Chi-Square	502.743	533.921
NFI	0.715	0.697

Source: Process Data Analysis (2025)

Model fit evaluation reveals mixed results, with the Saturated Model generally performing better than the Estimated Model. The Standardized Root Mean Square Residual (SRMR) for the Saturated Model is 0.100—slightly above the ideal ≤ 0.08 threshold but still acceptable for exploratory research—whereas the Estimated Model's SRMR is 0.145, indicating a weaker fit. The d_ULS value is lower for the Saturated Model (1.718) compared to the Estimated Model (3.591), suggesting a closer approximation to the

observed data. Similarly, the Geodesic Discrepancy (d_G) values for both models are low (0.743 for saturated and 0.801 for estimated), indicating acceptable model-data alignment, although the Estimated Model shows slightly more discrepancy. The Chi-Square test also favors the Saturated Model, with a lower value of 502.743 versus 533.921, though this metric is known to be sample-size sensitive. Finally, the Normed Fit Index (NFI) scores are 0.715 for the Saturated Model and 0.697 for the Estimated Model, both below the ideal 0.90 but above the 0.6 threshold commonly accepted in exploratory analyses. Overall, the Saturated Model demonstrates better fit across most indices, although further refinement is needed to improve the Estimated Model.

Table 4. Coefficient Model

	R Square	Q2
Hospitality Sector Revenue	0.689	0.473
Tourist Productivity	0.490	0.376

Source: Data Processing Results (2025)

The model demonstrates strong explanatory and predictive power for hospitality sector revenue, with an R^2 value of 0.689 indicating that 68.9% of the variance is explained by digital transformation and bleisure, a level considered substantial in behavioral and business research. The Q^2 value of 0.473 further supports the model's predictive relevance, suggesting it can forecast 47.3% of the variance in revenue outcomes based on the examined factors. For tourist productivity, the model shows moderate explanatory strength with an R^2 value of 0.490, meaning that 49.0% of the variance is accounted for by the independent variables. Its Q^2 value of 0.376 also indicates moderate predictive relevance, showing that 37.6% of tourist productivity variation can be predicted by the model. While these results confirm the model's utility, especially in explaining hospitality sector revenue, they also highlight the potential for refinement and the inclusion of additional variables to enhance predictive accuracy for tourist productivity.

4.4 Hypothesis Testing

Hypothesis testing in structural equation modeling (SEM) involves testing the relationships between latent constructs based on their path coefficients, T-statistics, and P-values. Below is the discussion for each hypothesis tested in the study, based on the provided data:

Table 5. Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Bleisure -> Hospitality Sector Revenue	0.574	0.580	0.099	4.280	0.000
Bleisure -> Tourist Productivity	0.249	0.242	0.132	2.307	0.002
Digital Transformation -> Hospitality Sector Revenue	0.334	0.337	0.113	3.965	0.001
Digital Transformation -> Tourist Productivity	0.674	0.684	0.091	5.507	0.000

Source: Process Data Analysis (2025)

The structural model results indicate that all hypothesized relationships are statistically significant and positively contribute to the model. The relationship between Bleisure and Hospitality Sector Revenue shows a strong positive path coefficient (O = 0.574), with a T-statistic of 4.280 and a P-value of 0.000, confirming H1

and indicating that bleisure activities significantly increase hospitality revenue in Indonesia. Similarly, Bleisure positively influences Tourist Productivity (O = 0.249), albeit to a lesser extent, with a T-statistic of 2.307 and a P-value of 0.002, supporting H2. Digital Transformation also has a significant positive effect on Hospitality Sector Revenue (O = 0.334), demonstrated by a T-statistic of 3.965 and a P-value of 0.001, confirming H3. Notably, Digital Transformation has the strongest impact on Tourist Productivity, with a path coefficient of 0.674, a high T-statistic of 5.507, and a P-value of 0.000, supporting H4. These results collectively affirm the importance of both bleisure travel and digital transformation in enhancing tourist productivity and boosting revenue within Indonesia's hospitality sector.

Discussion

The primary aim of this study was to examine the impact of Digital Transformation and Bleisure on Tourist Productivity and Hospitality Sector Revenue in Indonesia. The findings from the hypothesis testing indicate that both Digital Transformation and Bleisure significantly affect tourist productivity and revenue generation in the hospitality sector. The results contribute to a deeper understanding of how technological advancements and the evolving travel behaviors of tourists influence business outcomes in Indonesia's tourism and hospitality industries.

1) Impact of Bleisure on Hospitality Sector Revenue

The analysis reveals that bleisure travel—an integration of business and leisure—has a positive and significant impact on hospitality sector revenue, aligning with existing studies that emphasize its economic potential. In Indonesia, where tourism and business travel are both vital sectors, the bleisure trend offers hospitality businesses an opportunity to attract business travelers who may extend their trips for leisure purposes. This dual-purpose travel behavior reshapes the industry by encouraging longer stays and

increased spending, ultimately benefiting local economies. Hotels, restaurants, and other service providers can leverage this trend by creating specialized offerings that appeal to this market segment. Enhancing traveler satisfaction through work-friendly amenities, flexible booking, and curated leisure experiences not only boosts revenue but also promotes repeat visits and customer loyalty. Several factors contribute to the growth of bleisure travel. Increased occupancy rates and revenue are linked to the extended stays of business travelers who engage in leisure activities [14], prompting the hospitality sector to adapt by offering hybrid packages that combine business amenities with leisure options. Technological advancements and evolving social norms have also facilitated the seamless integration of leisure into business trips [24], a trend further accelerated by the pandemic's push for flexible and sustainable travel models. Economically, bleisure travelers contribute more to local economies by engaging in cultural and recreational activities, promoting cultural appreciation and tourism development [14]. These dynamics underscore the need for further research into bleisure traveler behavior to inform future business strategies [25], [26], allowing the hospitality industry to tailor services that meet the evolving expectations of this growing market.

2) Impact of Bleisure on Tourist Productivity

The positive relationship between bleisure travel and tourist productivity underscores the added value travelers gain when combining business and leisure activities during a trip. Tourist productivity, in this context, refers to the efficiency and value derived from the travel experience, including knowledge acquisition, networking, and personal or professional outcomes. Travelers who engage in bleisure often experience a more holistic and enriching journey, as the integration of work and relaxation promotes deeper engagement with the destination. This aligns with studies suggesting that bleisure travel fosters

meaningful experiences that enhance both personal growth and professional development, leading to a higher level of satisfaction and a greater willingness to participate in tourism-related activities. The flexibility of modern work environments and the growing emphasis on work-life balance have further contributed to the rise of this travel trend.

Bleisure travel offers multiple benefits, including improved work-life balance, as it reduces stress and supports overall well-being by blending professional commitments with leisure time [14]. Economically, bleisure travelers tend to spend more and stay longer, generating positive impacts for the hospitality industry and local economies [14], [25]. Additionally, combining business with leisure allows travelers to network while exploring local culture, enhancing both personal enrichment and career opportunities [14]. However, bleisure also presents challenges such as balancing work and leisure schedules, managing expenses, and navigating unfamiliar destinations [16], [27]. Motivations for engaging in bleisure are often driven by appealing leisure activities—like shopping—which significantly influence travel decisions [28]. These findings highlight the strategic importance of supporting bleisure travel to not only boost tourist satisfaction but also enhance local economic development through increased spending and extended stays.

3) Impact of Digital Transformation on Hospitality Sector Revenue

The study revealed a significant positive effect of digital transformation on hospitality sector revenue, emphasizing the growing importance of technology in enhancing operational performance and customer experience. In the hospitality industry, digital transformation involves the use of advanced technologies such as digital booking systems, CRM tools, virtual reality experiences, mobile applications, and smart hotel features. These innovations are aimed at increasing efficiency, streamlining services,

and delivering personalized guest experiences. The findings suggest that by adopting such technologies, businesses can directly boost revenue through improved operations, enhanced marketing efforts, and greater customer satisfaction. This aligns with existing literature which highlights that cloud-based property management systems can increase operational efficiency by up to 30%, AI-driven chatbots can reduce staff workload by up to 70%, and the automation of internal processes improves overall service quality [29], [30].

Customer satisfaction is also positively impacted by digital transformation. The use of big data analytics to personalize services has been shown to increase guest satisfaction by up to 15%, while contactless digital technologies enhance perceptions of safety and comfort—especially relevant during and after the COVID-19 pandemic [30]. Moreover, virtual reality experiences and smart features contribute to a more engaging and memorable stay[29]. From a marketing perspective, digital transformation facilitates market diversification and supports brand loyalty through sustainable and personalized solutions. CRM systems and tailored marketing efforts help businesses retain customers and adapt to market shifts [31], [32]. In the Indonesian context—particularly in urban areas and tourism hubs where digital adoption is accelerating—hospitality businesses that integrate these technologies stand to gain a strong competitive advantage, as they can deliver more efficient, responsive, and satisfying services that ultimately contribute to increased revenue.

4) Impact of Digital Transformation on Tourist Productivity

Digital transformation significantly influences tourist productivity by enabling more efficient planning, access to services, and value generation throughout the travel experience. Tools such as mobile applications for itinerary planning, digital ticketing systems, virtual tours, and AI-powered recommendations help tourists optimize their

time and streamline their activities. This increased efficiency allows travelers to engage more deeply with their destinations while managing their schedules and resources effectively. The availability of customized itineraries and instant booking options enhances decision-making and trip flexibility, contributing to a more productive and satisfying journey [5], [33]. These digital solutions not only simplify logistics but also improve pre-travel engagement through immersive previews of attractions, empowering tourists to make informed choices.

The rise of smart tourism, driven by Industry 4.0 technologies and IoT integration, has created a new generation of self-organized, tech-savvy travelers who rely on digital tools before, during, and after their trips [34], [35]. Enhanced connectivity and real-time access to information improve navigation and resource management, making destinations more competitive and sustainable. However, despite the clear benefits, challenges such as data security and privacy concerns remain significant barriers [36]. Furthermore, the success of digital transformation in tourism depends on effective regulation, infrastructure readiness, and the seamless integration of technology into tourism systems [33]. Overall, digital transformation enriches the travel experience by offering personalized and efficient solutions, ultimately increasing tourist productivity and supporting the growth of tourism-related businesses.

5) Theoretical and Practical Implications

Theoretical Implications: The findings contribute to the growing body of literature on Bleisure and Digital Transformation in the hospitality and tourism industries, providing empirical evidence of their positive effects on both Tourist Productivity and Hospitality Sector Revenue. The results further demonstrate the intertwined relationship between these constructs, offering valuable insights into how digital technology and evolving travel behaviors are shaping the future of tourism.

Practical Implications: For practitioners in the hospitality and tourism sectors, the results suggest the importance of embracing Digital Transformation and capitalizing on the Bleisure trend. Hotels, resorts, and tourism-related businesses should consider adopting digital tools to improve service delivery and customer engagement while developing targeted strategies to attract Bleisure travelers. This could involve offering packages that combine work and leisure, providing business facilities, and enhancing digital service offerings to facilitate a seamless travel experience.

5. CONCLUSION

This research provides valuable insights into the growing trends of Digital Transformation and Bleisure in the Indonesian tourism and hospitality sectors. The findings highlight that Digital Transformation plays a pivotal role in improving both the operational efficiency of hospitality businesses and the productivity of tourists, leading to increased revenue. The Bleisure trend also proves to be a significant driver of revenue growth by encouraging business travelers to extend their stay and engage in leisure activities. These results emphasize the importance for hospitality businesses to adopt digital tools and cater to the needs of Bleisure travelers. The study underscores the need for strategic investments in digital technologies and innovative marketing strategies to enhance the visitor experience and maximize revenue generation in the tourism and hospitality sectors in Indonesia. Future research can explore the long-term effects of these factors and their influence on sustainable business practices in the industry.

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