

DETERMINAN COMPETITIVE ADVANTAGE TOURISM DESTINATION PADA DESA WISATA KUTUH, KECAMATAN KUTA SELATAN, PROVINSI BALI

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Abstract:

This study analyzes the influence of government roles, leadership, and destination image on the competitive advantage of Kutuh Tourism Village, Badung Regency. The research employed a quantitative approach, with data collected through questionnaires administered to key stakeholders, and analyzed using Structural Equation Modeling (SEM) with SmartPLS 3.0. The findings indicate that the government's role has a positive and significant effect on competitive advantage (t-statistic = 2.71; original sample = 0.800), suggesting that regulatory support, infrastructure development, and promotion enhance destination competitiveness. Destination image also shows a positive and significant effect (t-statistic = 2.22; original sample = 0.805), confirming that positive tourist perceptions strengthen competitive advantage. Conversely, leadership has no significant effect (t-statistic = 0.71), indicating the need to improve local leadership capacity. The R-Square value of 0.741 indicates that the three variables collectively explain 74.1% of the variance in competitive advantage, while the Q-Square value of 0.711 demonstrates high predictive relevance. These findings provide practical implications for destination development, emphasizing that synergy between government support and destination image enhancement is a key driver for sustainable competitiveness, with leadership remaining a strategic potential that should be optimized.

Keywords: Competitive Advantage, Government Role, Leadership, Destination Image, Tourism Village

INTRODUCTION

Tourism villages are a phenomenon of sustainable tourism development realized through the concept of community-based tourism, where the community plays a key role in destination development (1). In 2020, during the pandemic, the number of foreign tourists was only around 1 million, significantly lower than the previous year. This condition worsened in 2021, with the Central Statistics Agency publishing data on only 51 foreign tourists visiting Bali (2). In 2022, the number of foreign tourists jumped to 2.1 million, signaling a significant recovery for Bali's tourism sector. This positive trend continued into 2023, with a record 5.3 million tourists throughout the year and nearly 481,000 tourists arriving in December (3). Communities that understand the potential of their villages have a sense of responsibility to preserve the tourism assets that are their main attractions. Tourism villages function not only as recreational destinations but also as educational and local economic empowerment facilities (4). Kutuh Tourism Village, which has undergone significant transformation in recent decades, offers a variety of attractions for tourists. It is classified as a developed tourism village and was included in the top 50 of the Indonesian Tourism Village Award (ADWI) in 2022 (5).



This success is inseparable from various factors that shape its competitive advantage, including the role of the government, strong leadership in tourism management, and a positive destination image among tourists (6).

One of the main factors contributing to destination competitiveness is the role of the government, which plays a crucial role in supporting competitiveness through regulations and infrastructure development policies. (4) In addition to the government's role, leadership in managing tourist destinations is also a key factor in creating competitive advantage. Effective leadership in destination management can encourage innovation and improve the sustainability of tourism development programs. (7) Another factor is destination image. A positive image can attract new tourists and maintain the loyalty of existing tourists. (8) This study aims to examine the determinants of competitive advantage in Kutuh Tourism Village, focusing on three main factors: the role of government, leadership, and destination image. The research questions are as follows: First, how does the role of government influence competitive advantage? Second, how significant is the influence of leadership on competitive advantage? Third, how does destination image influence the competitive advantage of Kutuh Village as a leading tourist destination? This research is highly urgent given the increasing competition between tourist destinations, where tourist villages must have unique characteristics and values that distinguish them from other villages. Kutuh Village is an example of a rapidly developing tourist village and has become a successful model of community-based tourism in Bali. However, to ensure the sustainability of its competitiveness, a deep understanding of the factors that contribute to the competitive advantage of Kutuh Tourism Village is required.

METHODS

This study uses a descriptive quantitative and qualitative approach by analyzing factors that influence competitive advantage. The dependent variables of this study are the role of government, leadership, and destination image, while competitive advantage is the dependent variable. A purposive sampling technique determined the sample in this study. The data obtained were analyzed using the Structural Equation Modeling (SEM) method with the SmartPLS 3.0 application. The first stage of analysis using SmartPLS is the evaluation of the Outer Model by testing the validity and reliability of the research instrument. Validity is tested by looking at the Loading Factor value and the square root of the average variance extracted (AVE) value. Reliability is tested using Composite Reliability, with a value above 0.7 indicating that the research indicators have good consistency. Hypothesis testing is carried out by looking at the significance of the relationship between variables using the Partial Least Squares (PLS) method. The research model is evaluated through the R-Square value to assess the level of model suitability (Goodness of Fit) and the Q-Square value to measure the predictive relevance of latent variables. A Q-Square value above 0 indicates that the model has good predictive relevance, with a category of 0.02 indicating a weak model, 0.15 as a moderate model, and 0.35 as a strong model.

RESULT AND DISCUSSION

Respondents in this study were aged between 20 and 50 years old, consisting of managers and communities involved in tourism activities in Kutuh Village. It shows that the tourist attractions offered in Kutuh Village attract the attention of visitors or tourists to get involved and benefit from the tourism industry. The interest of the community as managers of these tourist attractions can be a consideration when implementing the concept of sustainable tourism based on the competitive advantages of the Kutuh tourist village. It is a note for tourism destination managers when



implementing the concept of sustainable tourism. The loading factor on the variable indicator shows a value above 0.6. A loading factor value above 0.6 means that the indicators used in this study are valid or meet convergent validity (1).

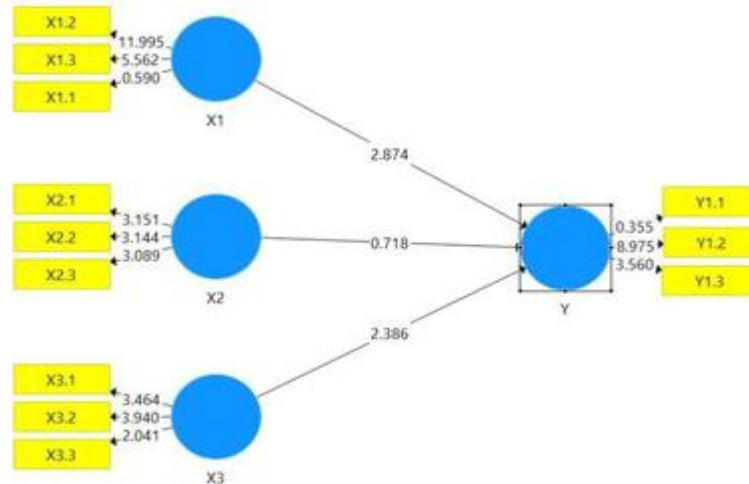


Figure 1. Loading Factor Value

Figure 1 shows the factor loading value of each indicator in the research model, where the loading factor provides a value above the recommended value of 0.6. A loading factor value above 0.6 means that the indicators used in this study are valid or have met convergent validity. Reliability testing is carried out by looking at the Composite Reliability value. Composite reliability results will show a satisfactory value if it is above 0.7, as explained in Table 1, meaning that all constructs in the estimated model meet the discriminant validity criteria.

Table 1. Reliability test results

Variable	Composite Reliability
X1 - Role of Government	0,800
X2 - Leadership	0,974
X3 - Destination Image	0,805
Y - Competitive Advantage	0,741

Source: Processed research data, 2025

The results of the Hypothesis test of all research variables are shown in Figure 1 and Table 2. The hypothesis is supported if the t-statistic is greater than the t-table, and vice versa if the t-statistic is smaller than the t-table; then the research hypothesis is rejected. The Original Sample Coefficient shows the direction of influence between construct variables. The t-statistic value of 2.71 (> 1.96) on the government role variable, as stated in Table 2, means that the government's role is proven to be significant and has an influence on the competitive advantage of Kutuh Tourism Village. The original sample estimate value of 0.800 means that the government's role has a positive and significant influence on the competitive advantage of Kutuh Tourism Village. It means that Hypothesis 1, which states that the government's role has an influence on competitive advantage, is supported. The t-statistic value of 0.71 (<1.96) on the leadership variable, as stated in Table 2, means that leadership does not influence the competitive advantage of Kutuh Tourism Village. The original sample estimate value of 0.974 means that the government's role does not influence the competitive

advantage of Kutuh Tourism Village. It means that Hypothesis 2, which states that leadership influences competitive advantage, is not supported. The t-statistic value of 2.22 (>1.96) for the destination image variable, as shown in Table 2, indicates that the destination image is proven to be significant and influences the competitive advantage of Kutuh Tourism Village. The original sample estimate value of 0.805 indicates that the destination image has a positive and significant effect on the competitive advantage of Kutuh Tourism Village. It means that Hypothesis 3, which states that destination image influences competitive advantage, is supported.

Table 2. Hypothesis Test Results

Variable	Original Sample (0)	t-Statistics	Hypothesis
X1 Role of Government	0,446	2,710	Supported
X2 Leadership	0,125	0,714	Not supported
X3 Destination Image	0,447	2,222	Supported

Source: Processed research data, 2025

The R-Square value for the destination competitive advantage construct is 0.741, as shown in Table 3. It indicates that the role of government, leadership, and destination image in Kutuh Tourism Village influences destination competitive advantage by 74.1%. The Q-Square was calculated to demonstrate the relevance of the research model in predicting the role of government, leadership, and destination image on competitive advantage in Kutuh Tourism Village. It is evidenced by the Q-Square value > 0, indicating high predictive relevance of the model.

Table 3. R-Square Values

Variable	R-Square Value	
	R-Square	Q-Square (1-(1-R2))
Y	0,741	0,711

Source: Processed research data, 2025

The results of the hypothesis testing in this study provide a comprehensive overview of the influence of government roles, leadership, and destination image on the competitive advantage of Kutuh Tourism Village. The analysis was conducted by considering the t-statistic value, the original sample, and the results of the R-square and Q-square tests to measure the predictive relevance of the research model.

The Influence of Government Role on Competitive Advantage. The test results show that the government role variable has a t-statistic of 2.71 (>1.96) and an original sample estimate of 0.800, indicating a positive and significant effect on the competitive advantage of Kutuh Tourism Village. It indicates that the greater the government's support, whether in the form of regulations, infrastructure, promotion, or facilitation of tourism activities, the higher the competitiveness of the tourism village's destination. This finding aligns with Subowo (2023) (2), who stated that local government support in the form of infrastructure provision and tourist attraction development contributes significantly to increasing the competitiveness of community-based destinations. Furthermore, Hilmawan (2022) (3) found that the government's role in digital promotion and fostering tourism awareness groups can strengthen the image and competitiveness of tourism village destinations. Practically, these results demonstrate that the success of Kutuh Tourism Village in building a competitive advantage is inseparable from the active role of the village and district governments, such as the construction of adequate road access, the provision of supporting facilities (public restrooms, parking areas, information centers), and integrated marketing programs. This



support creates confidence among tourists that the destination is worth visiting and is competitive compared to other destinations in the same region. From a theoretical perspective, these results reinforce the destination competitiveness model developed by Crouch and Ritchie (2011)(4), where external supporting factors such as policies and government roles are among the pillars of destination competitiveness. Implementing tourism development strategies that actively involve the government not only improves service quality but also ensures the sustainability of the destination.

The Influence of Leadership on Competitive Advantage. Unlike the government role variable, leadership in this study showed a t-statistic of 0.71 (<1.96) with an original sample estimate of 0.125, indicating no significant effect on the competitive advantage of Kutuh Tourism Village. This result indicates that although local leadership exists, its presence has not significantly contributed to increasing the destination's competitiveness. This finding is inconsistent with research by Wahyudin (2022) (5), which found that participatory leadership in destination management can encourage collaboration between stakeholders and positively impact the quality of tourism services. This difference in results could be due to several factors, such as the limited capacity of local leaders to develop marketing strategies, a lack of destination management training, or minimal innovation generated by the current leadership. However, this insignificance does not imply that leadership is unimportant. Rather, this result indicates the need to improve the quality of leadership in Kutuh Tourism Village, whether through training, mentoring, or strengthening collaborative networks with external parties. Strong and visionary leadership at the local level can be a driving force for tourism product innovation, service enhancement, and increased destination attractiveness in the future. Another study by Yani (2022)(6) in several tourist villages in Yogyakarta showed that leadership capable of integrating local potential with digital marketing strategies can create significant differentiation in destination competitiveness. Therefore, strengthening leadership capacity in Kutuh Tourism Village remains a strategic recommendation, although its impact has not been statistically proven in this study.

The Influence of Destination Image on Competitive Advantage. Destination image has been shown to have a positive and significant effect on competitive advantage, with a t-statistic of 2.22 (>1.96) and an original sample estimate of 0.805. It means that the more positive the image of Kutuh Tourism Village is in the eyes of tourists, the higher the destination's competitiveness. These results align with the findings of Endang (2021) (7), who stated that a destination image built through effective promotion, satisfying tourism experiences, and the sustainability of local attractions can increase a destination's competitiveness in a competitive tourism market. Similarly, research by Suandari (2023) (8) in Bali found that a strong destination image can encourage repeat visits and expand potential markets. In the context of Kutuh Tourism Village, a positive image can be built through maintaining environmental cleanliness, preserving local culture, promoting unique activities such as traditional ceremonies or festivals, and providing friendly and professional service. A positive image creates a high perception of value in the minds of tourists, ultimately increasing the destination's overall competitiveness. From a theoretical perspective, these results are consistent with image theory in tourism, which states that positive perceptions of a destination will influence traveler intentions and preferences. Therefore, strategies to strengthen destination image through social media, tourist testimonials, and mass media coverage are crucial for maintaining competitiveness.

R-Square and Q-Square Analysis. The R-Square value of 0.741 indicates that the variables of government role, leadership, and destination image together explain 74.1% of the variation in the competitive advantage of Kutuh Tourism Village. It is considered a strong indicator in social research, indicating the research model has high explanatory power. Furthermore, the Q-Square

value of 0.711 (>0) indicates that this research model has high predictive relevance, making it suitable for use in predicting the relationship between independent and dependent variables in similar contexts. The results of this study indicate that the combination of government support, leadership quality, and destination image can explain more than 70% of the variation in the competitiveness of community-based tourism destinations in Indonesia (9).

CONCLUSION

This study aims to analyze the influence of government, leadership, and destination image on competitive advantage in Kutuh Tourism Village, Badung Regency. Based on the data processing and discussion, several conclusions can be drawn with both theoretical and practical implications. First, the government's role has been shown to have a positive and significant impact on competitive advantage. It indicates that the competitiveness of a tourist destination is inseparable from government contributions, whether in the form of strategic policies, supporting infrastructure development, conducive regulations, or promotional support. This finding aligns with the theory of sustainable tourism development, which states that the government is a key stakeholder in creating a supportive environment for the growth of the tourism sector. In the context of Kutuh Tourism Village, government support is evident through the provision of public facilities, road development, promotion through regional events, and the development of tourism awareness groups (Pokdarwis). With an active government role, the destination is able to build a sustainable competitive advantage.

Second, leadership did not have a significant influence on competitive advantage in this study. Although theoretically, effective leadership can direct destination management toward achieving a long-term vision, the results indicate that the direct influence of leadership on competitiveness is still limited. This situation may be caused by a leadership style that is still administrative in nature, not yet fully strategic, or limited human resource capacity in leadership roles. Nevertheless, leadership still plays a crucial indirect role, for example, through shaping the destination's image or increasing community participation.

Third, destination image has been shown to have a positive and significant impact on competitive advantage. Destination image is the perception and impression formed in the minds of tourists about a tourist destination. In the digital era and intense destination competition, a strong destination image is crucial for attracting and retaining tourist interest. Kutuh Tourism Village has successfully built a positive image through the preservation of local culture, natural beauty, friendly service, and consistent promotion on social media and tourism events. A positive destination image encourages tourists to return (repeat visits) and recommend the destination to others (word of mouth), ultimately strengthening competitive advantage. Considering these overall findings, it can be concluded that developing a competitive advantage for tourist destinations, particularly in Kutuh Tourism Village, is highly dependent on the active role of the government and the creation of a positive destination image. Leadership, although not directly influential in this study, still needs to be strengthened to become a key driver of future destination development strategies.

Recommendations.

For Local Government. The research results indicate that the government's role has a positive and significant influence on the competitive advantage of tourist destinations. Therefore, the local government, particularly the Badung Regency Tourism Office, is expected to continue to increase its active involvement in the management of Kutuh Tourism Village. This involvement is not limited

to the development of physical infrastructure, such as roads and public facility improvements, but also includes strategic policies for promoting community-based tourism. The government also needs to expand its collaborative network with the private sector, tourism industry players, and the media to increase destination exposure. This effort can be achieved through holding annual festivals that highlight the richness of local culture and integrating the Kutuh Tourism Village into national and international tourism packages. With this strategy, the destination's competitive advantage can be maintained and sustainably enhanced.

For Tourism Village Managers. Although leadership variables did not significantly influence competitiveness in this study, tourism village managers still need to strengthen their leadership capacity. Visionary leadership, adaptability to change, and the ability to effectively manage local resources will contribute significantly to the sustainability of the destination. Tourism village managers are advised to participate in training in destination management, hospitality, and digital marketing to formulate more targeted strategies. Furthermore, strengthening the capacity of local human resources through tour guide training, homestay management, and handicraft product development will help create added value and strengthen the destination's image.

Strategic Recommendations for Competitiveness Development. To build a sustainable competitive advantage, a destination development strategy must integrate three main aspects: government policy, strengthening local leadership, and creating a positive destination image. The synergy between these three aspects will create a strong tourism ecosystem. The government, managers, and the community need to create a long-term tourism development master plan that encompasses environmental conservation, unique tourism product development, and digital technology-based marketing. The destination's image must be continuously strengthened through creative promotions, for example, by utilizing culturally based storytelling and authentic local historical stories, so that tourists have a memorable experience and are encouraged to return.

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