International Journal of Business and Management Invention (IJBMI)
ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X
www.ijbmi.org || Volume 15 Issue 10 || October, 2026 || PP—40-50

How Village Governance and Community Participation Enhance Tourism Village Competitiveness: The Mediating Role of Service Quality

*I Komang Wikadana[1], Sugeng Mulyono[2], Navi Muda Priyatna[3]
Corresponding Author: binamanutama@yahoo.com
[1]Master of Management, Postgraduate, Universitas Gajayana Malang
[2]Lecturer Faculty of Economics and Business, Universitas Gajayana Malang
[3]Lecturer Faculty of Economics and Business, Universitas Gajayana Malang

ABSTRACT:
This study aims to analyze the influence of governance and community participation on tourism competitiveness, with service quality acting as a mediating variable, within tourism villages in Jembrana Regency, Bali, Indonesia. A quantitative approach was employed, utilizing a survey method involving 140 respondents engaged in the management and development of tourism villages, including destination managers, traditional leaders, tourism business operators, and local community members. Data were collected via questionnaires using a Likert scale and analyzed using the Structural Equation Modeling-Partial Least Squares (SEM-PLS) method. The results indicate that governance has a positive and significant effect on both tourism competitiveness and service quality. Community participation also exerts a positive and significant influence on tourism competitiveness and service quality. Furthermore, service quality has a positive and significant impact on tourism competitiveness. Mediation analysis reveals that service quality mediates the influence of governance and community participation on tourism competitiveness. These findings demonstrate that enhancing the competitiveness of tourism villages requires effective governance, active community participation, and service quality capable of creating valuable experiences for tourists. The integration of these three aspects serves as a crucial foundation for the development of competitive, adaptive, and sustainable tourism villages.

***KEY WORD**: Governance, Community Participation, Service Quality, Tourism Competitiveness, Tourism Village.*

Date of Submission: 08-10-2026 Date of acceptance: 19-10-2026

I. INTRODUCTION

Tourism is a strategic sector for Bali Province's economy, contributing to the regional economy, job creation, and local economic activity. In 2019, the accommodation and food and beverage sector contributed 23.26% to Bali's economy (Statistics Indonesia – Bali Province, 2020a). That same year, foreign tourist arrivals reached approximately 6.28 million, while domestic tourists accounted for around 10 million trips (Statistics Indonesia (BPS) Bali, 2020b). The impact of tourism also extends to transportation, trade, the creative industries, MSMEs, and the workforce within the tourism value chain (Statistics Indonesia, 2025).

However, tourism development in Bali tends to be concentrated in South Bali and major destinations such as Kuta, Nusa Dua, and Ubud. This concentration creates the potential for unequal distribution of economic benefits as well as environmental and social pressures. Research in the Kuta area indicates economic disparities between communities working in the tourism sector and those employed in agriculture and fisheries (Apriliani & Bendesa, 2013). Furthermore, reliance on mass tourism increases the destination's vulnerability to external shocks. The COVID-19 pandemic highlighted this vulnerability, as foreign tourist arrivals in Bali plummeted from approximately 6.28 million in 2019 to 1.07 million in 2020, and to a mere 51 visits in 2021 (BPS Bali Province, 2022). These circumstances underscore the importance of diversifying destinations and developing community-based tourism.

A transformation toward sustainable and inclusive tourism can be achieved through community-based tourism (CBT) and the development of tourism villages. This approach positions the community as the primary actor in destination planning, management, and development by leveraging local potential, cultural wisdom, and economic empowerment, as well as through participation in decision-making. In community-based tourism,

community involvement is viewed not merely as a form of participation but also as a mechanism to enhance community capacity, ownership, and control over tourism development (Gutierrez, 2023; Higgins-Desbiolles et al., 2022). Utilizing local knowledge and cultural heritage can strengthen a destination's identity while supporting the sustainability of tourism activities (Movono et al., 2025). Furthermore, community involvement in tourism resource management can create local economic opportunities and foster a broader distribution of tourism benefits (Moscardo, 2008; Rosalina et al., 2023). Thus, community participation serves as a crucial element in building destinations grounded in local potential and in strengthening community empowerment.

In this context, traditional villages in Jembrana Regency possess natural, cultural, and local wisdom assets. However, this potential has not yet fully translated into competitiveness, as community involvement and self-reliance still require strengthening. Participation can be realized through decision-making, attraction management, the provision of amenities, local business development, and environmental conservation (Ira & Muhamad, 2020; Amalina & Listyorini, 2025). Effective management also requires governance that is responsive, participatory, transparent, and accountable, alongside service quality capable of creating positive tourist experiences (Krisnayana et al., 2026).

Traditional villages possess social, cultural, and institutional capital that is vital for community-based tourism development (Andjanie et al., 2023; Krisnayana et al., 2026). Nevertheless, research indicates that increased competitiveness does not always result in equitable prosperity (Chin & Hampton, 2020), while limited participation, capital, and policy support remain obstacles (Rachmawati et al., 2021). Service quality plays a crucial role in tourist satisfaction and destination competitiveness (Sharma & Srivastava, 2018; Jayampathi & Punchihewa, 2019). Studies by Li et al. (2019) and Weng et al. (2022) also highlight the role of experience quality as a mediator; however, the present study integrates village governance, community participation, service quality, and competitiveness, specifically within the context of Balinese traditional villages.

II. LITERATURE REVIEW AND HYPOTHESES

Governance and Tourism Competitiveness

Governance is a crucial aspect of tourism village development, as it determines how resources, policies, institutional frameworks, and the interests of various stakeholders are managed to achieve tourism development goals. In the context of tourism villages, governance encompasses not only the administrative functions of the village government but also transparency, accountability, participation, coordination, collaboration, and inter-stakeholder relationships. Destination management is increasingly shifting from hierarchical patterns toward horizontal and collaborative governance, given that rural tourism development involves the government, local residents, business operators, community groups, and other actors (Chen et al., 2025).

Effective governance enables village governments to coordinate local resources, develop infrastructure, strengthen tourism institutions, and create an environment conducive to tourism activities. From the perspective of destination competitiveness, government policy and involvement play a vital role in destination development and the capacity to withstand competition (Baggio et al., 2020). Furthermore, governance frameworks must provide space for local communities to act as key destination stakeholders; governance designs that overlook the community can limit the effectiveness of participation and destination development (Bichler & Lösch, 2021).

Research on collaborative governance indicates that the coordination of diverse stakeholders is essential for rural tourism management. Governance structures involving multiple actors can integrate resources, interests, knowledge, and capacities within tourism village development (Chen et al., 2025). Consequently, good governance can enhance coordination and management quality while bolstering destination competitiveness (Baggio et al., 2020). Based on the theoretical and empirical relationships outlined above, the following hypothesis is formulated:

H1: Governance influences tourism competitiveness.

Community Participation and Tourism Competitiveness

Community participation is a crucial characteristic of community-based tourism village development. Local communities act not merely as beneficiaries but are also involved in the planning, implementation, oversight, and development of tourism activities. Rachmawati et al. (2021) demonstrate that community involvement is vital for sustainable tourism and community empowerment. However, economic benefits remain unevenly distributed due to limitations regarding involvement, capital, education, and geographical conditions.

Community participation also encompasses political and decision-making dimensions. Rachmawati (2022) indicates that empowerment in tourism development often focuses on economics and capacity building for service delivery, without fully positioning the community as decision-makers. Consequently, substantive participation requires space for involvement in planning and decision-making, rather than being limited to the mere execution of activities.

Putra et al. (2024) found that community participation has a positive and significant impact on destination quality, while the government's role also influences both participation and destination quality. This

highlights the importance of community involvement in product development, promotion, and tourism activities.

From a competitiveness perspective, Lo et al. (2019) show that the quality of accommodation, infrastructure, activities, and special events is linked to the competitiveness of rural tourism destinations, with community support reinforcing this relationship. Research by Arsyila et al. (2026) underscores challenges related to governance, participation, human resource capacity, and economic sustainability, thereby necessitating participatory governance, local economic empowerment, institutional strengthening, product innovation, and multi-stakeholder collaboration. Based on the theoretical and empirical relationships mentioned above, the following hypothesis is formulated:

H2: Community participation influences tourism competitiveness.

Service Quality and Tourism Competitiveness

Service quality is a crucial factor in shaping the tourist experience and enhancing a destination's competitiveness. It reflects the ability of destination managers to provide services that align with tourists' needs and expectations. In tourism, service quality is assessed through reliability, responsiveness, assurance (regarding safety and comfort), empathy (attention to tourists), and tangibles (physical aspects of the service).

Sharma and Srivastava (2018) explain that the SERVQUAL dimensions—tangibles, reliability, responsiveness, assurance, and empathy—can be used to evaluate service quality in the hospitality industry and its relationship to customer satisfaction and loyalty. Thus, service quality serves as a vital instrument for creating positive tourist experiences.

Jayampathi and Punchihewa (2019) also highlight the significant role of service quality in the tourism industry. Their study on travel agencies demonstrates that service quality helps meet tourist expectations and retain tourists within a competitive tourism landscape.

In the context of rural tourism, service quality is directly linked to destination competitiveness. Lo et al. (2019) found that the quality of accommodation, infrastructure, activity variety, and special events are factors tourists consider when evaluating a destination's competitiveness. Consequently, the service quality of a tourism village depends not only on the management but also on institutional and community capacity to deliver experiences that are consistent, comfortable, authentic, and aligned with tourist expectations. Based on the theoretical and empirical relationships outlined above, the following hypothesis is formulated:

H3: Service quality influences tourism competitiveness.

Service Quality as a Mediating Variable

Positioning service quality as a mediating variable suggests that governance and community participation do not always generate competitiveness directly; rather, they can operate through enhancements in service quality and the tourist experience (Putra & Ariasih, 2024; Wahim & Hamzah, 2024). Transparent, accountable, participatory, and collaborative governance supports coordination in the provision of tourism services and strengthens the effectiveness of destination management (Putro & Briliayanti, 2019). Meanwhile, community participation contributes through the utilization of local knowledge, involvement in destination management, the provision of authentic experiences, and the maintenance of facilities and the quality of the tourism experience (Mertha et al., 2025; Utama et al., 2025). Thus, service quality can serve as a mechanism linking governance and community participation to the enhancement of tourism village competitiveness.

This argument is supported by Bichler and Lösch (2021), who identify community participation as a crucial element in destination governance design. Community involvement facilitates knowledge sharing, collaborative strategy formulation, and destination development that aligns with the local context. Furthermore, Weng et al. (2022) demonstrate that "quality of place" plays a role in explaining tourism competitiveness and acts as a mediating mechanism between local characteristics and destination competitiveness.

A mediation approach is relevant in tourism village research because it not only examines the relationships of governance and community participation with competitiveness but also explains how these relationships unfold through specific mechanisms (Hair et al., 2022; Hayes, 2022). Governance provides the institutional structures, coordination, policies, and management mechanisms that support effective and sustainable destination management (Bramwell & Lane, 2011; Hall, 2011). Meanwhile, community participation contributes social resources, local knowledge, creativity, labor, and legitimacy, all of which can strengthen community-based destination development (Tosun, 2006). Both factors can enhance service quality through improved management coordination, community involvement in service provision, and the utilization of local knowledge and resources. In turn, service quality can bolster the tourist experience, satisfaction, and destination image, ultimately strengthening the destination's competitiveness (Cronin et al., 2000).

Based on the aforementioned theoretical and empirical relationships, the following hypotheses are formulated:

H4: Service quality mediates the effect of governance on the competitiveness of village tourism.

H5: Service quality mediates the effect of community participation on the competitiveness of village tourism.

III. RESEARCH METHOD

Population and Sample

This study employs a quantitative approach using a survey method. A quantitative approach is utilized to examine relationships between variables based on numerical data obtained through structured instruments (Creswell & Creswell, 2018). The study population comprises all stakeholders involved in the management and development of tourism villages in Jembrana Regency, Bali, Indonesia. The sample was selected using purposive sampling—a technique involving the selection of respondents based on specific characteristics or criteria relevant to the research objectives (Etikan et al., 2016). Respondent criteria include active involvement in tourism activities, an understanding of village governance, and experience in tourism development and service provision. A sample size of 140 respondents was established to ensure sufficient data for testing the research model using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) approach, which is suitable for analyzing complex relationships between latent constructs and models involving mediating variables (Hair et al., 2022).

Data Collection

Data collection was conducted by distributing structured questionnaires to respondents, either in person or via online forms. The research instrument utilized a five-point Likert scale—ranging from 1 (strongly disagree) to 5 (strongly agree)—to measure respondents' perceptions regarding village governance, community participation, service quality, and the competitiveness of village tourism. The use of a Likert scale allows for the measurement of respondents' levels of agreement with various statements representing the research constructs. Primary data were supplemented by secondary data obtained through documentation, destination management reports, and relevant literature sources to provide supporting information regarding the research context.

Data Analysis

Data analysis was performed using SmartPLS software through the evaluation of the measurement model (outer model) and the structural model (inner model). In PLS-SEM, measurement model evaluation is used to ensure construct quality through validity and reliability testing, whereas structural model evaluation is used to assess the relationships between constructs within the research model (Hair et al., 2022). Outer model evaluation encompasses convergent validity, discriminant validity, and construct reliability. Furthermore, inner model evaluation includes the coefficient of determination (R^2), path coefficients, and significance testing via the bootstrapping procedure. Bootstrapping is a non-parametric resampling technique used in PLS-SEM to obtain standard errors, t-values, confidence intervals, and significance tests for model estimates (Hair et al., 2022). Testing for indirect effects is conducted to identify the mediating role of service quality in the relationship between village governance and community participation regarding village tourism competitiveness (Hair et al., 2022).

IV. RESULTS AND DISCUSSION

Outer Model

Outer model analysis was conducted to test the validity and reliability of the instruments in measuring latent variables. The assessment included outer loadings, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE). Indicators are considered valid if outer loadings exceed 0.70, although values between 0.50 and 0.60 are acceptable in developmental research. Constructs are considered reliable if Cronbach's Alpha and Composite Reliability exceed 0.70. Convergent validity is established if the AVE exceeds 0.50. Meeting these criteria indicates that the instruments are valid and reliable for further analysis. The following table presents the outer loading results.

Table 1. Outer Loading Values

Item	Governance	Community Participation	Service Quality	Tourism Competitiveness	Decision
$X_{1.11}$	0.827				Valid
$X_{1.12}$	0.824				Valid
$X_{1.13}$	0.709				Valid
$X_{1.21}$	0.794				Valid
$X_{1.22}$	0.829				Valid
$X_{1.23}$	0.828				Valid
$X_{1.31}$	0.827				Valid
$X_{1.32}$	0.648				Valid

$X_{1.33}$	0.760				Valid
$X_{1.41}$	0.784				Valid
$X_{1.42}$	0.830				Valid
$X_{1.43}$	0.810				Valid
$X_{1.44}$	0.697				Valid
$X_{1.45}$	0.751				Valid
$X_{1.46}$	0.825				Valid
$X_{2.11}$		0.775			Valid
$X_{2.12}$		0.817			Valid
$X_{2.13}$		0.831			Valid
$X_{2.14}$		0.911			Valid
$X_{2.21}$		0.820			Valid
$X_{2.22}$		0.885			Valid
$X_{2.23}$		0.830			Valid
$X_{2.24}$		0.712			Valid
$X_{2.31}$		0.819			Valid
$X_{2.32}$		0.894			Valid
$X_{2.33}$		0.788			Valid
$X_{2.24}$		0.827			Valid
$Z_{1.11}$			0.788		Valid
$Z_{1.12}$			0.699		Valid
$Z_{1.13}$			0.901		Valid
$Z_{1.14}$			0.933		Valid
$Z_{1.21}$			0.919		Valid
$Z_{1.22}$			0.871		Valid
$Z_{1.23}$			0.914		Valid
$Z_{1.24}$			0.838		Valid
$Z_{1.31}$			0.838		Valid
$Z_{1.32}$			0.762		Valid
$Z_{1.33}$			0.830		Valid
$Z_{1.34}$			0.880		Valid
$Y_{1.11}$				0.886	Valid
$Y_{1.12}$				0.896	Valid
$Y_{1.13}$				0.872	Valid
$Y_{1.14}$				0.850	Valid
$Y_{1.21}$				0.858	Valid
$Y_{1.22}$				0.885	Valid
$Y_{1.23}$				0.875	Valid
$Y_{1.24}$				0.845	Valid
$Y_{1.31}$				0.796	Valid
$Y_{1.32}$				0.896	Valid
$Y_{1.33}$				0.757	Valid
$Y_{1.34}$				0.891	Valid

Cronbach's Alpha

The minimum standard value used for Cronbach's Alpha is 0.7, while the ideal value is 0.8 or 0.9. The following table presents the Cronbach's Alpha values obtained from the calculations.

Table 2. Reliability and Convergent Validity

Variables	Cronbach's Alpha	Composite Reliability	AVE	P Values
Governance	0.955	0.960	0.616	0,000
Community Participation	0.958	0.963	0.684	0,000
Service Quality	0.965	0.969	0.723	0,000
Tourism Competitiveness	0.968	0.971	0.739	0,000

The test results indicate that the Cronbach's Alpha and Composite Reliability values for all variables exceed 0.9; thus, the instrument is deemed reliable. Convergent validity is also established, as all Average Variance

Extracted (AVE) values exceed 0.5. Consequently, the instruments measuring village governance, community participation, service quality, and competitiveness demonstrate adequate reliability and convergent validity.

Inner Model

The structural model evaluation results are used to predict relationships between latent variables, assessed via R-square values. R-square values of 0.67, 0.33, and 0.19 indicate strong, moderate, and weak models, respectively (Chin et al., 2020).

Table 3. R-Square Values

Variables	R Square
Service Quality	0,929 (R_1^2)
Tourism Competitiveness	0,923 (R_2^2)

Based on table 3 the R-Square value for Service Quality is 0.929, indicating that village governance and community participation explain 92.9% of the variation in service quality, while 7.1% is explained by other variables. Meanwhile, the R-Square value for tourism competitiveness is 0.923, indicating that village governance, community participation, and service quality explain 92.3% of the variation in tourism competitiveness. Both values fall into the strong category, signifying that the model possesses high predictive capability.

Hypothesis Testing

Hypothesis testing regarding direct effects was conducted using bootstrapping within the Partial Least Squares (PLS) analysis, based on path coefficients, T-statistics, and P-values. A hypothesis is accepted if the T-statistic is greater than 1.96 and the P-value is less than 0.05. The results of the hypothesis testing are as follows.

Tabel 4. Uji Hipotesis

Relationship	Path Coefficient	t-Statistic	p-value
Governance --> Tourism Competitiveness	0.178	3.369	0.001
Community Participation --> Tourism Competitiveness	0.499	6.298	0.000
Service Quality --> Tourism Competitiveness	0.305	3.204	0.001
Governance --> Service Quality --> Tourism Competitiveness	0.068	2.668	0.008
Community Participation --> Service Quality --> Tourism Competitiveness	0.232	3.208	0.001

The hypothesis testing results in Table 4 indicate that all direct relationships within the research model are positive and significant. Governance has a positive effect on tourism competitiveness, with a path coefficient of 0.178, a T-statistic of 3.369, and a p-value of 0.001; thus, Hypothesis 1 is accepted. Community participation has a positive and significant effect on tourism competitiveness, with a path coefficient of 0.499, a T-statistic of 6.298, and a p-value of 0.000; thus, Hypothesis 2 is accepted. Furthermore, service quality has a positive and significant effect on tourism competitiveness, with a path coefficient of 0.305, a T-statistic of 3.204, and a p-value of 0.001; thus, Hypothesis 3 is accepted. All direct relationships meet the criteria of T-statistic > 1.96 and p-value < 0.05.

Additionally, the test results show that service quality partially mediates the effect of governance on tourism competitiveness, with a path coefficient of 0.068, a T-statistic of 2.668, and a p-value of 0.008. Meanwhile, service quality also partially mediates the effect of community participation on tourism competitiveness, with a path coefficient of 0.232, a T-statistic of 3.208, and a p-value of 0.001. These findings indicate that governance and community participation enhance tourism competitiveness both directly and through service quality.

DISCUSSION

Governance influences tourism competitiveness

Research results indicate that governance has a positive and significant impact on tourism competitiveness. These findings suggest that the better the governance implemented in destination management, the greater the tourism village's capacity to build its strengths and competitiveness. Effective governance encompasses clear institutional roles, transparency, accountability, stakeholder coordination, community participation, and the ability to plan, implement, and evaluate tourism programs. In the context of a destination, governance relates to how policies, institutional structures, decision-making processes, and resource management are directed toward enhancing destination performance. Research on the relationship between

government and destination competitiveness also demonstrates that governance systems and practices are crucial factors in explaining the development and competitiveness of tourism destinations (Beritelli et al., 2020).

This influence can be explained by the role of governance in fostering more effective coordination among village governments, tourism operators, the community, MSMEs, and other stakeholders. Such coordination and collaboration enable local resources—such as cultural attractions, the natural environment, creative economy products, and local knowledge—to be developed into tourism products with distinctive value. In the development of tourism villages, the implementation of "good village governance" is also considered essential for supporting the management and growth of the tourism industry at the village level (Putra & Huda, 2022).

Conceptually, these findings align with Ritchie and Crouch (2003), who explain that destination competitiveness is determined not only by resource availability but also by the destination's ability to manage those resources effectively and efficiently. This perspective is reinforced by Dwyer and Kim (2003), who identify destination management as a key component of the destination competitiveness model. Thus, transparent, accountable, responsive, and collaborative governance can serve as a strategic capability for tourism villages to optimize resources, enhance management quality, create superior tourism experiences, and sustainably strengthen competitiveness. These findings align with studies highlighting the interrelationship between governance structures, destination management processes, and destination competitiveness (Beritelli et al., 2020).

Community participation influences tourism competitiveness

Research results indicate that community participation has a positive and significant impact on tourism competitiveness. These findings demonstrate that the greater the community's involvement in the planning, management, development, and evaluation of tourism activities, the stronger the destination's ability to create advantages and sustain its competitiveness. Community participation enables local resources—such as knowledge, skills, culture, creativity, and social networks—to be developed into added value for the tourism destination. Consequently, the community is positioned not merely as a beneficiary but as an active participant in creating and developing tourism products and experiences.

These findings are consistent with research by Turčinović et al. (2025), which identifies community participation as a crucial factor in community-based tourism development, capable of strengthening destination competitiveness through economic empowerment, cultural preservation, and the creation of authentic experiences. Research by Matana et al. (2025) also found that the success of Bilebante Tourism Village is linked to the interplay between community participation, empowerment, and destination competitiveness. Community involvement enhances capacity, self-confidence, and local innovation, thereby supporting the strengthening of tourism competitiveness.

Empirically, community participation can boost competitiveness through involvement in providing attractions and tourism services, developing local products, promotion, and maintaining the environment and culture. Laksmi et al. (2026) also emphasizes that community participation is a crucial component of sustainable tourism development, as it strengthens a destination's competitive strategy while enhancing local community engagement. Therefore, strengthening community capacity, providing opportunities for participation, ensuring access to resources, and fostering involvement in decision-making must be integral parts of strategies to enhance the competitiveness of village tourism.

Service quality influences tourism competitiveness.

Research results indicate that service quality has a positive and significant impact on tourism competitiveness. These findings suggest that the higher the quality of service provided by destination managers, the stronger the tourism village's ability to build and sustain its competitiveness. Service quality is a crucial element in creating a positive tourist experience, as tourists evaluate not only the destination's attractions but also how well their needs and expectations are met during their visit (Zeithaml et al., 1996). Consequently, service that is consistent, responsive, and oriented toward tourist needs can enhance perceived value and satisfaction, ultimately bolstering the destination's competitive position (Cronin et al., 2000).

This relationship can be explained by the fact that quality service enhances tourist satisfaction, trust, and positive experiences. A positive experience, in turn, encourages repeat visits and recommendations to others. Thus, service quality serves as a source of competitive advantage that is integral to the successful development of tourism destinations. Li et al. (2019) demonstrated that various quality-related factors are linked to tourist experiences and evaluations of tourism village destinations, making quality improvement a vital component of destination management.

From the perspective of destination competitiveness, consistent service can also strengthen the destination's image and differentiate it from others offering similar attractions. Dwyer and Kim (2003) explain that destination competitiveness is determined not only by natural and cultural resources but also by supporting

factors, destination management, and the quality of the experience provided to tourists. Therefore, tourism village managers need to improve human resource competencies, service standards, cleanliness, safety, information accessibility, and responsiveness to tourist complaints. In the context of tourism villages, service quality is reflected in the reliability of management, responsiveness to tourist needs, assurances of safety and comfort, attentiveness to tourists, and the condition of facilities supporting tourism activities. These dimensions align with the SERVQUAL model, which identifies reliability, responsiveness, assurance, empathy, and tangibles as key aspects for evaluating service quality (Parasuraman et al., 1988). Service that meets or exceeds tourist expectations can foster a more positive experience and increase the likelihood of repeat visits and recommendations to others (Zeithaml et al., 1996). From the perspective of destination competitiveness, the quality of the tourist experience is a crucial component of a destination's ability to create value and differentiate itself from competitors (Dwyer & Kim, 2003). Therefore, enhancing service quality—through strengthening management competencies, upgrading facilities, providing adequate information, and responding promptly to tourist needs and complaints—serves as a vital strategy for bolstering the competitiveness of tourism villages.

Service quality as a mediator of the influence of governance and community participation on tourism competitiveness

Research results indicate that service quality acts as a mediating variable in the relationship between governance, community participation, and tourism competitiveness. These findings demonstrate that governance and community involvement do not merely exert a direct influence on destination competitiveness but also operate by enhancing the quality of service received by tourists. Thus, service quality serves as a crucial mechanism that translates institutional capacity and community involvement into superior tourism experiences, ultimately strengthening the competitiveness of tourism villages.

Effective governance provides the institutional foundation for destination management that is purposeful, transparent, accountable, responsive, and coordinated. Good governance enables a clear division of roles among the village government, destination managers, the community, business operators, and other stakeholders. In the context of tourism, such coordination is vital because the quality of the tourist experience stems from a range of interconnected services—such as accessibility, information, cleanliness, safety, hospitality, and facilities, as well as the service provided by the community and managers. Bichler and Lösch (2019) explain that collaborative governance in tourism destinations requires dialogue, trust, mutual understanding, and institutional arrangements capable of reconciling the interests of various actors. Consequently, good governance can create conditions that allow service standards to be developed and consistently implemented.

The mediating role of service quality can also be explained through the relationship between community participation and tourism competitiveness. Community participation contributes local knowledge, skills, labor, creativity, and social resources, as well as an understanding of local cultural and environmental characteristics. Community involvement in tourism village management allows services to become more contextual and authentic, as tourists interact directly with the community and gain experiences that reflect local life. Research on community-based destinations indicates that resident participation is a crucial element in the success of tourism development at the community level (Bajrami et al., 2021).

Service quality serves as the mechanism that transforms governance and participation into value perceived by tourists. Services that are prompt, friendly, safe, informative, reliable, and aligned with tourist needs can enhance satisfaction and reinforce positive perceptions of the destination. In the context of rural tourism, service quality possesses characteristics distinct from those of urban destinations, as the tourist experience is deeply intertwined with interactions with the local community, the environment, culture, and local daily life. Albacete-Sáez et al. (2007) demonstrated that service quality in rural accommodation is linked to the tourist experience and can contribute to destination loyalty.

These mediation findings align with research by Li et al. (2019), which highlights the importance of quality-based factors in shaping tourist responses within the context of historic village tourism. That study found that experience quality and administrative quality are linked to visitation intentions, while perceived value plays a mediating role in the relationship between quality factors and tourist responses. These findings reinforce the argument that perceived quality is a crucial mechanism linking destination management characteristics to tourist behavior and evaluations.

From the perspective of destination competitiveness, service quality can be viewed as a form of competitive advantage; possessing natural resources, culture, or local uniqueness is insufficient, as a destination must also be capable of managing and integrating these resources to create a valuable experience for tourists (Ritchie & Crouch, 2003). The concept of destination competitiveness emphasizes that a destination's superiority is determined not only by the presence of resources and attractions but also by management's ability to create sustainable value for both tourists and the local community. In the context of tourism villages, governance provides the necessary structure, coordination, direction, and decision-making mechanisms, while community participation contributes social resources, local knowledge, creativity, and support for destination

development. Furthermore, service quality serves as the mechanism that transforms these various resources into a tourism experience that can be directly perceived and evaluated by tourists. The role of governance and stakeholder collaboration in strengthening destination competitiveness is supported by research indicating that governance and collaboration are crucial components of tourism destination management (Purnamawati & Hatane, 2024).

Consequently, the findings of this study imply that enhancing the competitiveness of tourism villages cannot be achieved solely through physical development or destination promotion. Managers must establish collaborative governance systems, broaden community participation, and simultaneously improve service quality. This approach aligns with the view that developing high-quality destinations requires community involvement and institutional support capable of integrating diverse local interests (Bichler & Lösch, 2021). Studies on tourism villages also demonstrate a link between community participation and support and the creation of competitive advantage, while service quality relies on institutional support, coordination, and community empowerment (Arliani et al., 2026). Integrating these three aspects enables tourism villages to create experiences that are consistent, authentic, and valuable to tourists. In this context, service quality is not merely an end product of destination management but a strategic mechanism bridging governance capacity and community participation to foster stronger, more sustainable tourism competitiveness. In other words, governance provides the institutional foundation, community participation contributes social capacity and local resources, and service quality translates these capacities into value perceived by the tourist. This perspective reinforces the argument that the competitiveness of tourism villages stems from the integration of management capacity, community involvement, and the destination's ability to deliver high-quality, sustainable tourism experiences (Ritchie & Crouch, 2003; Purnamawati & Hatane, 2024).

V. CONCLUSION

Based on the analysis and discussion, it can be concluded that governance has a positive and significant influence on tourism competitiveness. These findings indicate that the better the governance implemented in managing a tourism village, the greater the destination's capacity to build and sustain its competitiveness. Effective governance—characterized by role clarity, coordination, transparency, accountability, and responsiveness—creates a management environment that supports the development of tourism potential in a more focused manner.

Community participation is also proven to have a positive and significant impact on tourism competitiveness. Community involvement in planning, management, tourism product development, economic activities, and the utilization of local resources strengthens the tourism village's capacity to create uniqueness and added value for the destination. Community participation not only provides social and economic resources but also reinforces the legitimacy and sustainability of community-based tourism development.

Furthermore, governance and community participation are shown to have a positive and significant influence on service quality. This indicates that service quality does not exist in isolation but is shaped by robust institutional support and active community engagement. Service quality also significantly and positively affects tourism competitiveness; thus, services that are reliable, responsive, friendly, and capable of ensuring safety enhance the tourist experience.

Service quality is proven to mediate the influence of governance and community participation on tourism competitiveness. Consequently, the competitiveness of tourism villages can be strengthened through the integration of effective governance, broad community participation, and enhanced service quality. These findings underscore that developing tourism competitiveness requires a focus not only on physical infrastructure and promotion but also on the sustainable strengthening of institutional, social, and service capacities.

REFERENCES

[1]. Amalina, W., & Listyorini, H. (2025). Tourism village community participation: Forms, benefits, strategies and barriers to participation towards a sustainable tourism village. *Journal of Tourism Economics and Policy, 5*(4). https://doi.org/10.38142/jtep.v5i4.1366

[2]. Andjanie, I. F., Asyifa, N., Pratama, R. K., & Furqan, A. (2023). Strengthening community involvement: An in-depth exploration of the community-based tourism (CBT) approach in Lamajang Tourism Village, Bandung Regency. *Jurnal Kepariwisataan Indonesia, 17*(2), 182–205. https://doi.org/10.47608/jki.v17i22023.182-205

[3]. Albacete-Sáez, C. A., Fuentes-Fuentes, M. M., & Lloréns-Montes, F. J. (2007). Service quality measurement in rural accommodation. *Annals of Tourism Research, 34*(1), 45–65. https://doi.org/10.1016/j.annals.2006.06.010

[4]. Apriliani, N. K. D. S., & Bendesa, I. K. G. (2013). Analisis disparitas pendapatan di kawasan pariwisata, Kecamatan Kuta, Kabupaten Badung. *E-Jurnal Ekonomi Pembangunan Universitas Udayana, 2*(4), 208–215.

[5]. Arsyila, A. M., Amirullah, M. D., & Tiberghien, G. (2026). Strategies for village tourism management to promote community-based economic independence. *Tourism and Hospitality Research, 2*(1).

[6]. Arliani, S., Nazwin, A. H., Mustamin, M., Rifaid, R., & Octastefani, T. (2026). Servqual model in tourism development in the Mandalika Special Economic Zone. *ARISTO, 14*(1). https://doi.org/10.24269/ars.v14i1.12569

[7]. Badan Pusat Statistik. (2025). *Tourism satellite account Indonesia 2019–2023*. https://www.bps.go.id/

[8]. Badan Pusat Statistik Provinsi Bali. (2020a). *Pertumbuhan ekonomi Bali tahun 2019*. https://bali.bps.go.id/

[9]. Badan Pusat Statistik Provinsi Bali. (2020b). *Statistik wisatawan mancanegara ke Bali 2019*. https://bali.bps.go.id/

[10]. Badan Pusat Statistik Provinsi Bali. (2022). *Perkembangan pariwisata Provinsi Bali Desember 2021*. https://bali.bps.go.id/

[11]. Bajrami, D. D., Šeric, M., & others. (2021). The impact of residents' participation on their support for tourism development at a community level destination. *Sustainability, 13*(9), 4789. https://doi.org/10.3390/su13094789

[12]. Baggio, R., Sainaghi, R., & Baggio, J. A. (2020). Exploring the relationship between government and destination competitiveness: The TALC model perspective. *Tourism Management, 78*, 104040. https://doi.org/10.1016/j.tourman.2019.104040

[13]. Bichler, B. F., & Lösch, M. (2021). Designing tourism governance: The role of local residents. *Journal of Destination Marketing & Management, 19*, 100389. https://doi.org/10.1016/j.jdmm.2019.100389

[14]. Bichler, B. F., & Lösch, M. (2019). Collaborative governance in tourism: Empirical insights into a community-oriented destination. *Sustainability, 11*(23), 6673. https://doi.org/10.3390/su11236673

[15]. Bramwell, B., & Lane, B. (2011). Critical research on the governance of tourism and sustainability. *Journal of Sustainable Tourism, 19*(4–5), 411–421. https://doi.org/10.1080/09669582.2011.580586

[16]. Beritelli, P., Bieger, T., & Laesser, C. (2020). Exploring the relationship between government and destination competitiveness: The TALC model perspective. *Tourism Management, 78*, 104040. https://doi.org/10.1016/j.tourman.2019.104040

[17]. Chen, Q., Cai, L. A., & Chen, J. (2025). Collaborative governance for rural tourism in a centralized state: A tale of two villages in China. *Journal of Hospitality and Tourism Management*. https://doi.org/10.1016/j.jhtm.2025.05.007

[18]. Chin and Hampton (2020). The Relationship Between Destination Competitiveness and Residents' Quality of Life: Lessons from Bali. *Tourism and Hospitality Management*, Vol. 26, No. 2, pp. 311-336, 2020.

[19]. Cronin, J. J., Brady, M. K., & Hult, G. T. M. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing, 76*(2), 193–218. https://doi.org/10.1016/S0022-4359(00)00028-2

[20]. Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). SAGE Publications.

[21]. Dwyer, L., & Kim, C. (2003). Destination competitiveness: Determinants and indicators. *Current Issues in Tourism, 6*(5), 369–414. https://doi.org/10.1080/13683500308667962

[22]. Etikan, I., Musa, S. A., & Alkassim, R. S. (2016). Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics, 5*(1), 1–4. https://doi.org/10.11648/j.ajtas.20160501.11

[23]. Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2022). *A primer on partial least squares structural equation modeling (PLS-SEM)* (3rd ed.). SAGE Publications.

[24]. Hall, C. M. (2011). A typology of governance and its implications for tourism policy analysis. *Journal of Sustainable Tourism, 19*(4–5), 437–457. https://doi.org/10.1080/09669582.2011.570346

[25]. Hayes, A. F. (2022). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach* (3rd ed.). Guilford Press.

[26]. Ira, W. S., & Muhamad, M. (2020). Partisipasi masyarakat pada penerapan pembangunan pariwisata berkelanjutan (Studi kasus Desa Wisata Pujon Kidul, Kabupaten Malang). *Jurnal Pariwisata Terapan, 4*(1). https://doi.org/10.22146/jpt.43802

[27]. Jayampathi, E. K., & Punchihewa, P. S. D. (2019). Relationship between travel agents' service quality and tourists satisfaction with special reference to Mirissa coastal tourism zone. *TRJ Tourism Research Journal*.

[28]. Krisnayana, R., Kuswarno, E., Zubair, F., & Novianti, E. (2026). Layered participation in sustainable rural tourism: Participatory communication, environmental stewardship, and cultural heritage governance in community-based tourism at Kampung Senyum Homestay, Cibeusi Village, West Java, Indonesia. *Tourism and Hospitality, 7*(7), 191. https://doi.org/10.3390/tourhosp7070191

[29]. Lo, M.-C., Chin, C.-H., & Law, F.-Y. (2019). Tourists' perspectives on hard and soft services toward rural tourism destination competitiveness: Community support as a moderator. *Tourism and Hospitality Research, 19*(2). https://doi.org/10.1177/1467358417715677

[30]. Li, X., Wang, Z.-H., Xia, B., Chen, S.-C., & Chen, S. (2019). Testing the associations between quality-based factors and their impacts on historic village tourism. *Tourism Management Perspectives, 32*, 100573. https://doi.org/10.1016/j.tmp.2019.100573

[31]. Laksmi, P. A. S., Suriani, N. N., Arjawa, I. G. W., & Saputra, K. A. K. (2026). Sustainable tourism development in the digital era: Assessing the impact of competitive strategies and community participation. *European Journal of Sustainable Development Research, 10*(2), em0373. https://doi.org/10.29333/ejosdr/17841

[32]. Matana, A. H., Matana, H., & Lawrence, J. (2025). Unveiling the success of Bilebante Tourism Village: Competitiveness, participation, and empowerment. *Ilomata International Journal of Social Science, 6*(4), 1510–1528. https://doi.org/10.61194/ijss.v6i4.1926

[33]. Mertha, I. W., Yunita, P. I., & Tirtawati, N. M. (2025). Creating quality tourism destinations: The crucial role of community participation and government support in Batur UNESCO Global Geopark–Bali. *E-Journal of Tourism, 12*(2), 178–197. https://doi.org/10.24922/eot.v12i2.2173

[34]. Putra, K. E. S., & Ariasih, M. P. (2024). Destination image as a mediator of the influence of service quality on the decision to purchase dolphin tourism services. *International Journal of Environmental, Sustainability, and Social Science, 5*(6), 2044–2051. https://doi.org/10.38142/ijesss.v5i6.1286

[35]. Purnamawati, I. G. A., & Hatane, S. E. (2024). Collaborative governance in strengthening dimensions of competitive advantage of sustainable ecotourism villages. *International Review of Management and Marketing*. https://doi.org/10.32479/irmm.16270

[36]. Putra, I. M. A. W., & Huda, M. N. (2022). Implementation of good village governance in tourism industry development. *Nakhoda: Jurnal Ilmu Pemerintahan, 21*(2). https://doi.org/10.35967/njip.v21i2.365

[37]. Putro, H. P. H., & Briliayanti, A. (2019). The effectivity of stakeholders' collaboration on tourism destination governance in Pangandaran, West Java, Indonesia. *ASEAN Journal on Hospitality and Tourism, 17*(1), 25–37. https://doi.org/10.5614/ajht.2019.17.1.3

[38]. Rachmawati, E., Fountain, J., & Mackay, M. (2021). Factors influencing economic empowerment in tourism development. *Economics and Finance in Indonesia, 67*(2). https://doi.org/10.47291/efi.v67i2.917

[39]. Rachmawati, E. (2022). Pemberdayaan politik masyarakat dalam pengembangan wisata. *Policy Brief Pertanian, Kelautan, dan Biosains Tropika, 4*(1), 213–219. https://doi.org/10.29244/agro-maritim.0401.213-219

[40]. Ritchie, J. R. B., & Crouch, G. I. (2003). *The competitive destination: A sustainable tourism perspective*. CABI.

[41]. Sharma, S., & Srivastava, S. (2018). Relationship between service quality and customer satisfaction in hotel industry. *TRJ Tourism Research Journal, 2*(1), 42–49. https://doi.org/10.30647/trj.v2i1.20

[42]. Wahim, I., & Hamzah, M. I. (2024). A study on service quality, tourist value perception, and destination image for revisit intention in Lombok. *Jurnal Kepariwisataan: Destinasi, Hospitalitas dan Perjalanan, 8*(2). https://doi.org/10.34013/jk.v8i2.1596

[43]. Weng, J., Xiao, J., & Yu, L. (2022). Local demand, quality of place, and urban tourism competitiveness. *Frontiers in Psychology, 12*, 817805. https://doi.org/10.3389/fpsyg.2021.817805
[44]. Utama, I. G. B. R., Trimurti, C. P., Junaedi, I. W. R., & Krismawintari, N. P. D. (2025). Balancing tourism and conservation: The role of local communities in Bali's ecotourism management. *Media Konservasi, 30*(4), 520–529. https://doi.org/10.29244/medkon.30.4.520
[45]. Tosun, C. (2006). Expected nature of community participation in tourism development. *Tourism Management, 27*(3), 493–504. https://doi.org/10.1016/j.tourman.2004.12.004
[46]. Turčinović, M., Vujko, A., & Stanišić, N. (2025). Community-led sustainable tourism in rural areas: Enhancing wine tourism destination competitiveness and local empowerment. *Sustainability, 17*(7), 2878. https://doi.org/10.3390/su17072878
[47]. Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing, 60*(2), 31–46. https://doi.org/10.1177/002224299606000203