

# Formulation of Competitiveness Strategy and Tourism Business Governance for *Umbul* (Natural Spring) Attractions in Klaten Regency

Rahmawati Riantisari<sup>1✉</sup>, Arie Rachma Putri<sup>2</sup>, Faizah Khotimatul Husna<sup>3</sup>

(1) Management, Universitas Muhammadiyah Klaten, Indonesia

(2,3) Accounting, Universitas Muhammadiyah Klaten, Indonesia

**Abstract:** Tourism is a sector with the potential to boost the regional economy, yet its contribution to the Local Own-Source Revenue (PAD) of Klaten Regency remains relatively low despite the presence of *Umbul* (natural spring) tourist destinations that serve as a regional icon. This study aims to formulate a competitiveness strategy, analyze the influence of tourism business governance on destination competitiveness, and identify down streaming opportunities for *Umbul* tourism into value-added products and services. The study employed a mixed-method approach combining SWOT analysis, multivariate regression analysis, and down streaming analysis. Data were collected through a survey of 385 tourists, interviews with destination managers, field observations, and documentation studies at four *Umbul* tourist destinations in Klaten Regency. The results show that *Umbul* tourism is positioned in Quadrant I (growth strategy), with an IFAS value of 1.90 and an EFAS value of 2.00, indicating substantial strengths and opportunities for destination development. Regression analysis reveals that tourism governance has a strong and significant relationship with destination competitiveness ( $R = 0.745$ ;  $p < 0.05$ ). In addition, *Umbul* tourism holds down streaming potential through the development of educational tourism, underwater services, local culinary offerings, micro, small, and medium enterprises (MSMEs), cultural festivals, and integrated tour packages. These findings indicate that strengthening governance, enhancing human resource capacity, and developing the tourism value chain can improve competitiveness and generate broader economic value added for the community.

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## INTRODUCTION

Tourism is one of the principal drivers of regional economic development, contributing substantially to rising community incomes and the expansion of employment opportunities and industries such as accommodation, culinary services, and transportation (Bassil et al., 2023)(Bakalo et al., 2025). Studies in Malaysia show that tourism growth is positively correlated with economic growth, and that increased tourist visits and tourism receipts contribute to economic activity in both the short and long term (Raihan et al., 2025)(Simorangkir et al., 2024). A study in China shows that progress in the tourism sector contributes significantly to economic development (Li et al., 2025).

Klaten Regency has a distinctive leading tourism sector in the form of spring-based tourism (*Umbul*), such as *Umbul Ponggok*, *Umbul Cokro*, and *Umbul Sighedang* (Purnomo & Purwandari, 2025). These spring-based attractions have become a symbol of Klaten tourism, offering unique natural beauty with an ecotourism focus (Wahyuni et al., 2023)(Hardimanto et al., 2024). However, previous research found that although tourism is represented by the accommodation and food sector (LQ = 1.17), its contribution to the Local Own-Source Revenue (PAD) of Klaten Regency remains small

(Riantisari, Putri, et al., 2025). The number of tourists also has no significant effect on PAD (Sundawan & Laksmi, 2024)(Ayu et al., 2025)(Margayawati et al., 2025).

**Table 1.** Contribution of Tourism to PAD

| Year           | Total PAD (IDR) | Tourism Sector PAD (IDR) | Contribution (%) |
|----------------|-----------------|--------------------------|------------------|
| 2019           | 311,648,401,655 | 12,569,036,829           | 4.03             |
| 2020           | 329,963,261,898 | 8,530,240,214            | 2.59             |
| 2021           | 300,013,085,037 | 8,804,783,428            | 3.12             |
| 2022           | 349,607,225,927 | 14,452,269,721           | 4.13             |
| 2023           | 360,095,442,704 | 14,958,898,404           | 4.15             |
| <b>Average</b> |                 |                          | <b>3.60</b>      |

Based on Table 1, data from the Klaten Regency Regional Government Administration Report (LPPD) for 2019–2023 show a fluctuating pattern in the tourism sector's contribution to PAD. After declining during the pandemic, this contribution rose again to 4.15% in 2023. However, the average contribution remains below 5%, indicating that the potential of the tourism sector has not yet been fully utilized to support an increase in regional PAD.

This finding indicates a gap between tourism potential and its actual performance. Previous research shows that Klaten's PAD remains low and dependent on central government funding, indicating that leading sectors, including tourism, have not yet optimally supported fiscal independence (Riantisari, Nurrokhmini, et al., 2025).

This result is consistent with research emphasizing the importance of innovation-based, market-oriented, and sustainability-driven competitiveness strategies for improving tourism performance (Azmi et al., 2023)(Pinhal et al., 2025)(Elizabeth et al., 2025). Several studies note that effective competitiveness strategies can improve regional economic performance, employment, and community welfare (Purwono et al., 2024)(Barrera-Martínez et al., 2025). Tourism competitiveness is typically measured through indicators covering resources, infrastructure, the enabling environment and authorities, natural resources, culture, and environmental sustainability (Rheeders & Meyer, 2023)(Băbăţ et al., 2023). Governments can formulate more targeted policies to improve tourism sector performance by understanding the regional level of competitiveness.

In addition to strategy, improving competitiveness is also influenced by sound tourism management and governance (Arifin et al., 2020). Effective governance encompasses coordination, transparency, accountability, and participation (Pulido-Fernández & Pulido-Fernández, 2019)(Andini et al., 2025). Tourism management depends heavily on effective cooperation among local government, businesses, and local communities in developing sustainable tourist destinations (Mappasomba et al., 2025). A sound governance system can enhance community empowerment, local capacity building, and improved ecotourism infrastructure (U. S. Lubis et al., 2023)(L. Lubis et al., 2024). Weak governance can become an obstacle to optimizing tourism potential (MEYER & RHEEDERS, 2024).

The urgency of this research lies in the need for an analysis of competitiveness strategy and tourism business governance to close the gap between the tourism potential possessed and the still-minimal contribution of tourism to the PAD of Klaten Regency. Based on these issues, this study addresses three interrelated research questions. First, how can an effective competitiveness strategy be formulated to strengthen the competitiveness of Umbul tourism in Klaten Regency? Second, how does tourism business governance influence the competitiveness of Umbul tourism destinations? Third, how can the potential of Umbul tourism be downstreamed into value-added products and services that contribute more significantly to Local Own-Source Revenue (PAD)? These questions arise from the gap between the considerable tourism potential of Klaten Regency and its relatively low contribution to regional revenue.

Various recent studies have examined strategies for improving competitiveness and sustainable tourism management in different regions. In East Java, one study evaluated tourism competitiveness using Big Data to assess the performance of leading destinations (Satria & Wibowo, 2021). Another

study developed a tourism competitiveness model focused on core resources, destination management, and factors that attract visitors (He & Wang, 2022). In Ponggok Village, Klaten, a study applied the concept of *Smart Tourism Village* using SWOT analysis to improve local community welfare (Artianingsih & Priyambodo, 2022). In addition, other research has discussed post-pandemic tourism recovery strategies using the *Multi-Criteria Decision Making* (Abdilllah & Ardiwidjaja, 2023) method. Recent studies have also highlighted the role of digital governance and smart governance in strengthening tourism performance at the regional level (Latofat & Kizi, 2025). However, previous studies have generally examined tourism governance, competitiveness strategy, and tourism downstreaming separately. Limited research has integrated these three aspects into a single framework, particularly in the context of spring-based (Umbul) tourism in Klaten Regency. This creates a research gap in understanding how effective governance and competitiveness strategies can support tourism downstreaming and generate greater value for regional revenue.

Although previous studies have examined tourism competitiveness, destination management, Smart Tourism Village, post-pandemic tourism recovery, and digital governance, most have focused on established tourism destinations and have not sufficiently addressed the integration of governance, competitiveness strategy, and tourism downstreaming. Limited attention has been given to integrating competitiveness strategy, tourism business governance, and tourism downstreaming within the context of spring-based (Umbul) tourism in Klaten Regency. This research gap highlights the need for a more comprehensive framework that links these aspects to regional economic development and fiscal capacity.

Accordingly, this study aims to formulate a competitiveness strategy for Umbul tourism, analyze the influence of tourism business governance on destination competitiveness, and identify opportunities for downstreaming Umbul tourism into value-added products and services. Furthermore, this research supports SDG 8 (Decent Work and Economic Growth) and aligns with the fifth pillar of Asta Cita by promoting greater value creation from local tourism resources through sustainable tourism management and creative economic development.

The novelty of this research lies in the integration of competitiveness strategy, tourism business governance, and tourism downstreaming within a single analytical framework specifically developed for Umbul tourism in Klaten Regency. Unlike previous studies that have examined these aspects separately, this study combines them to provide a more comprehensive understanding of how local tourism resources can enhance destination competitiveness and increase their contribution to regional revenue. Methodologically, the study employs a qualitative descriptive approach using SWOT analysis to identify internal and external factors and competitive positioning, complemented by multivariate relationship analysis and an assessment of downstream tourism opportunities.

This study develops a conceptual framework that integrates tourism business governance, destination competitiveness, and tourism downstreaming. Tourism business governance is positioned as an enabling factor that supports destination competitiveness through transparency, accountability, responsibility, and innovation. Destination competitiveness is reflected in attractions, facilities, accessibility, supporting attributes, service quality, and tourism product creativity. The resulting competitive advantages provide a basis for downstreaming tourism potential into value-added products and services. This framework assumes that effective governance supports destination competitiveness, while stronger competitiveness creates opportunities for tourism downstreaming and greater local economic value. Accordingly, quantitative analysis is used to examine the relationship between governance and competitiveness, while SWOT and downstreaming analysis are used to formulate strategies and identify value-added opportunities.

## RESEARCH METHOD

### Type of Research

This research uses a mixed-method approach, combining quantitative and qualitative approaches to analyze the influence of tourism governance on the competitiveness of *Umbul* tourist destinations in Klaten Regency. The quantitative approach is used to measure the relationship and influence between variables through statistical analysis, while the qualitative approach is used to understand destination management conditions and formulate development strategies through SWOT analysis. The mixed-method approach enables the empirical findings to be interpreted in relation to the theoretical concepts of tourism business governance and destination competitiveness. Quantitative results provide empirical evidence of the relationship between governance and competitiveness, while qualitative findings provide contextual explanations of how governance practices and destination conditions shape competitiveness.

### Research Variables and Assessment Indicators

This research uses the governance variable as the independent variable and tourism competitiveness as the dependent variable. The assessment indicators are (Purnamawati & Hatane, 2024)(Abdilllah & Ardiwidjaja, 2023):

**Table 2.** Research Variables

| Variable                        | Concept Definition                                                                                                                                                                                             | Indicator                                                                                                                                                                                                                                      |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tourism Business Governance (X) | Governance refers to actions or behaviors that direct, control, and influence public affairs so that they are managed effectively, efficiently, and economically, enabling community needs to be properly met. | <ol style="list-style-type: none"> <li>1. Transparency</li> <li>2. Accountability</li> <li>3. Responsibility</li> <li>4. Three development dimensions (development based on local potential, technology utilization, and Innovation</li> </ol> |
| Tourism Competitiveness (Y)     | Destination competitiveness is the ability of a destination to attract and satisfy tourists.                                                                                                                   | <ol style="list-style-type: none"> <li>1. Attraction</li> <li>2. Facilities</li> <li>3. Accessibility</li> <li>4. Supporting attributes</li> <li>5. Service</li> <li>6. Tourism product creativity</li> </ol>                                  |

The indicators are operationalized to connect the theoretical concepts with measurable empirical conditions at the destination level. Tourism business governance is reflected in the extent to which destination management demonstrates transparency, accountability, responsibility, and development based on local potential, technology, and innovation. Meanwhile, tourism competitiveness is reflected in the destination's ability to attract and satisfy tourists through attractions, facilities, accessibility, supporting attributes, service quality, and tourism product creativity. Thus, the empirical measurement of both variables is directly linked to their respective theoretical concepts.

### Research Location and Sample

The destination managers were selected purposively because they have direct knowledge and experience regarding destination governance, management, tourism services, and development. Tourist respondents were selected because they have direct experience of the attractions, facilities, accessibility, services, and tourism products offered at the destinations. Thus, the two respondent groups provide complementary perspectives on governance and destination competitiveness. The tourist respondents were visitors who had experienced the tourism services and facilities at the selected *Umbul* destinations. The sample size was determined using the Cochran formula (Yusri, n.d.) for proportions, with a 95% confidence level and a 5% margin of error, resulting in a minimum sample

of 385 respondents. Accidental sampling was applied to tourists who were available at the research locations during data collection. for proportions:

$$n_0 = \frac{Z^2 p(1-p)}{e^2}$$

Assuming  $Z = 1.96$  (95% CI),  $p = 0.5$  and  $e = 0.05$  (5% margin of error), the result is  $n_0 = 384.16$ , so the sample size was set at  $n = 385$  respondents

### Data Collection Technique

The data used in this research consist of primary and secondary data. Primary data were obtained through a survey of tourist perceptions using questionnaires, interviews with destination managers, and field observations. The questionnaire was used to measure tourist perceptions of destination governance and competitiveness. Interviews were conducted to obtain in-depth information on the destination management system, while observations were used to directly examine physical conditions and tourism activities. Secondary data were obtained from destination management documents, visitor reports, and relevant supporting literature. Secondary data were used to strengthen the analysis and support the interpretation of the research results. Data from different sources were used to strengthen the connection between empirical evidence and the theoretical framework. Questionnaire data were used to quantitatively assess the governance and competitiveness constructs, while interviews and observations were used to explain the empirical conditions underlying the quantitative findings. This triangulation helps interpret whether the measured indicators are consistent with the actual governance and competitiveness conditions of the destinations.

Data analysis was conducted using two types of analysis: descriptive qualitative analysis and quantitative analysis.

#### 1. SWOT Analysis

SWOT analysis is used to identify the strategic position of *Umbul* tourist destinations through the assessment of internal and external factors. This is followed by weighting and scoring, determining the SWOT position, and formulating a strategy (Sumarsid et al., 2023). The SWOT results are interpreted in relation to the competitiveness concept by identifying how internal strengths and weaknesses and external opportunities and threats affect the destination's ability to attract tourists, provide supporting facilities and services, and develop creative tourism products. Therefore, SWOT analysis does not only identify strategic factors but also helps translate the empirical conditions into competitiveness strategies.

#### 2. Multivariate Quantitative Analysis

Used to evaluate the extent to which tourism governance influences destination competitiveness, based on tourists' perceptions. The quantitative analysis provides empirical evidence for the theoretical proposition that effective governance can support destination competitiveness. The relationship between governance (X) and competitiveness (Y) is examined statistically and then interpreted based on the governance and destination competitiveness concepts used in this study.

#### 3. Downstreaming Analysis

Conducted by identifying forms of value added that can be developed from the potential of *Umbul* tourism. The stages include mapping value-added potential and the value chain. The downstreaming analysis extends the interpretation of competitiveness by examining how competitive tourism resources can be transformed into value-added products and services. The empirical findings from governance and competitiveness analysis are used as a basis for identifying feasible downstreaming opportunities, thereby linking destination competitiveness with broader economic value creation.

## RESULTS AND DISCUSSION

### Analysis Results

This section presents the results of the analysis of governance and competitiveness of *Umbul* tourist destinations. The analysis was conducted using a SWOT approach to examine the destination's internal and external conditions, as well as quantitative analysis to determine the influence of tourism governance on destination competitiveness based on tourist perceptions. In addition, a downstream analysis was conducted to identify the value-added potential that can be developed from *Umbul* tourism.

### SWOT Analysis Results

SWOT analysis was conducted by assigning weights and ratings to each strength (*strength*), weakness (*weakness*), opportunity (*opportunity*), and threat (*threat*) factor. The final score was obtained by multiplying the weight and rating of each factor. The difference between total strengths and weaknesses (IFAS) and total opportunities and threats (EFAS) was then calculated to determine the development strategy position of *Umbul* tourism. Based on the interviews conducted, several internal and external factors influencing the development of *Umbul* tourism were identified. The weight of each factor was determined based on its relative importance to the development of *Umbul* tourism, with the total weights for internal and external factors set at 1.00. The rating was determined based on the actual condition and influence of each factor, using a scale of 1–4. The weighted score was calculated by multiplying the weight by the rating. The weighting and rating were based on interview findings and field observations. These factors were then identified, grouped, and arranged into a SWOT analysis table as follows:

**Table 3.** Calculation of SWOT Factors for *Umbul* Tourism

| No                          | Factor                             | Description                                                                                                                                                                    | Weight      | Rating | Score       |
|-----------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------|-------------|
| <b>Internal Environment</b> |                                    |                                                                                                                                                                                |             |        |             |
| <b>Strength</b>             |                                    |                                                                                                                                                                                |             |        |             |
| 1.                          | Attractiveness & Tourism Resources | <i>Umbul</i> tourism has a unique underwater attraction, with consistently clear water and underwater activities that have become its distinctive feature                      | 0.20        | 4      | 0.80        |
| 2.                          | Governance                         | Tourism management is carried out by the village-owned enterprise (BUMDes) Tirta Mandiri with a clear organizational structure, coordination, and good management transparency | 0.20        | 4      | 0.80        |
| 3.                          | Economic and social performance    | Tourism development has created jobs and empowered the community through local MSMEs                                                                                           | 0.15        | 3      | 0.45        |
| 4.                          | Product and downstream potential   | Has the potential to develop new tourism products such as nature tourism, culinary offerings, and other water springs                                                          | 0.15        | 3      | 0.45        |
| <b>Total Strength</b>       |                                    |                                                                                                                                                                                | <b>0.70</b> |        | <b>2.50</b> |
| <b>Weakness</b>             |                                    |                                                                                                                                                                                |             |        |             |
| 1.                          | Human Resources                    | Some staff do not yet have a tourism background and therefore still require training and mentoring                                                                             | 0.16        | 2      | 0.32        |

| No                                                 | Factor                         | Description                                                                                                                                                                                                                               | Weight      | Rating | Score       |
|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------|-------------|
| 2.                                                 | Marketing and Digitalization   | Tourism promotion still relies mainly on social media and local communities, so digital marketing has not yet optimally reached a wider tourism market                                                                                    | 0.14        | 2      | 0.28        |
| <b>Total Weakness</b>                              |                                |                                                                                                                                                                                                                                           | <b>0.30</b> |        | <b>0.60</b> |
| <b>Total Internal Environment (IFAS)</b>           |                                |                                                                                                                                                                                                                                           | <b>1.00</b> |        | <b>3.10</b> |
| <b>IFAS Calculation (S-W) = 2.50 - 0.60 = 1.90</b> |                                |                                                                                                                                                                                                                                           |             |        |             |
| <b>External Environment</b>                        |                                |                                                                                                                                                                                                                                           |             |        |             |
| <b>Opportunity</b>                                 |                                |                                                                                                                                                                                                                                           |             |        |             |
| 1.                                                 | Tourism Market and Trends      | Growing tourist interest in nature-based and experience-based tourism presents an opportunity, such as a unique, natural underwater experience that differs from other water-tourism destinations                                         | 0.22        | 4      | 0.88        |
| 2.                                                 | Government Policy and Support  | Government support through regular training and coaching supports tourism development                                                                                                                                                     | 0.18        | 4      | 0.72        |
| 3.                                                 | Technology and Digitalization  | Managers have utilized Instagram and other social media as promotional tools, supported by the Pokdarwis (Tourism Awareness Group) community.                                                                                             | 0.13        | 3      | 0.39        |
| 4.                                                 | Environment and Sustainability | Water springs have been utilized for water tourism activities, educational tourism, and community-managed fish farming, thereby supporting sustainability-based tourism development                                                       | 0.17        | 3      | 0.51        |
| <b>Total Opportunity</b>                           |                                |                                                                                                                                                                                                                                           | <b>0.70</b> |        | <b>2.50</b> |
| <b>Threat</b>                                      |                                |                                                                                                                                                                                                                                           |             |        |             |
| 1.                                                 | Destination Competition        | The emergence of other water-tourism destinations with similar concepts may increase tourism competition                                                                                                                                  | 0.08        | 2      | 0.16        |
| 2.                                                 | Environment and Sustainability | Increasing numbers of tourists risk degrading environmental quality and water clarity                                                                                                                                                     | 0.12        | 2      | 0.24        |
| 3.                                                 | Economic and Social Conditions | <i>Umbul</i> tourism is affected by community economic conditions and tourism trends. When the economy declines or a new destination goes viral, visitor numbers may decrease as tourists postpone visits or shift to other destinations. | 0.10        | 1      | 0.10        |
| <b>Total Threat</b>                                |                                |                                                                                                                                                                                                                                           | <b>0.30</b> |        | <b>0.50</b> |
| <b>Total External Environment (EFAS)</b>           |                                |                                                                                                                                                                                                                                           |             |        |             |

| No                                          | Factor | Description | Weight | Rating | Score |
|---------------------------------------------|--------|-------------|--------|--------|-------|
| EFAS Calculation (O-T) = 2.50 - 0.50 = 2.00 |        |             |        |        |       |

Based on the SWOT analysis results, an IFAS value of 1.90 and an EFAS value of 2.00 were obtained, producing the coordinate point (1.90; 2.00). This coordinate point falls within Quadrant I, indicating a progressive (growth) strategy. This position shows that *Umbul* tourism has substantial strengths and opportunities, so the appropriate development strategy is to leverage all strengths to optimally support tourism development.

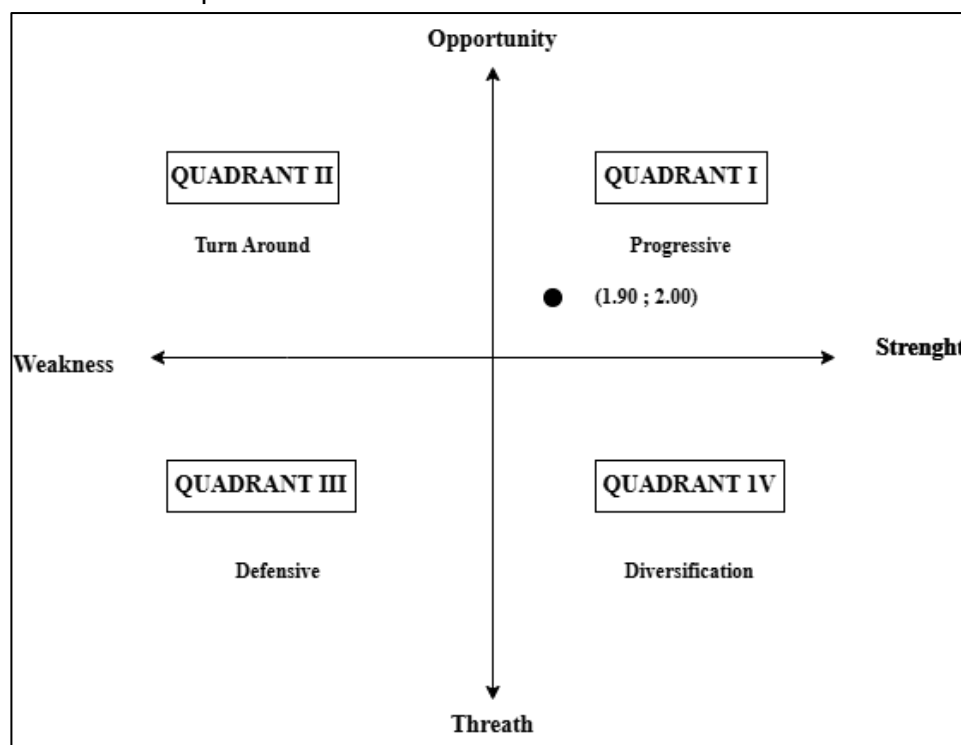


Figure 1. SWOT Quadrant Position

Based on Figure 1, *Umbul* tourism is positioned in Quadrant I, indicating favorable conditions for development. This means *Umbul* tourism has substantial strengths and opportunities. Therefore, several development strategies are needed to support tourism progress and increase tourist appeal. The following are recommended development strategies for *Umbul* tourism:

1. Developing *study tour* collaborations not only with schools and universities in Klaten, but also with educational institutions from outside the region, in order to broaden the reach of tourists.
2. Developing a "One Day in Klaten" tour package that combines *Umbul* tourism, local cuisine, and nature tourism so that tourists obtain a more complete and engaging tourism experience.
3. Holding regular events such as culinary festivals, live music, TikTok content competitions, night markets, and local cultural festivals to attract more tourists, especially younger generations.
4. Developing MSME areas and centers for regional souvenirs so that tourism is not solely focused on attractions, but also supports the economic improvement of the surrounding community.
5. Improving human resource capacity in tourism services, digital promotion, and event management to enhance service quality and tourist appeal.
6. Improving tourist comfort by adding supporting facilities such as Instagrammable photo spots, gazebos, children's playgrounds, relaxation areas, and digital information centers.

### Multivariate Analysis Results

Multivariate quantitative analysis is used to examine the extent to which tourism governance influences destination competitiveness based on tourist assessments. Through this analysis, the relationships and effects between variables can be identified more clearly and measurably.

**Table 4.** Regression Analysis Results of Tourism Governance on Tourism Competitiveness

| Variable                      | R     | R Square | Adjusted R Square | F Value | Sig.  |
|-------------------------------|-------|----------|-------------------|---------|-------|
| Governance on Competitiveness | 0.745 | 0.555    | 0.554             | 477.769 | 0.000 |

Based on the regression analysis results, an R value of 0.745 was obtained, indicating a strong relationship between tourism governance and destination competitiveness. An R Square value of 0.555 indicates that tourism governance explains 55.5% of destination competitiveness, while the remaining 44.5% is influenced by other factors outside this study. The ANOVA test results show an F value of 477.769 with a significance of 0.000 ( $< 0.05$ ), indicating that the regression model is significant. These findings show that governance is a strategic factor in improving destination competitiveness. Management transparency, accountability, innovation, and community involvement can enhance service quality and the tourist experience. The better the governance implemented, the higher the destination's ability to attract and retain tourist visits, thereby creating sustainable competitive advantage.

### Down Streaming Results

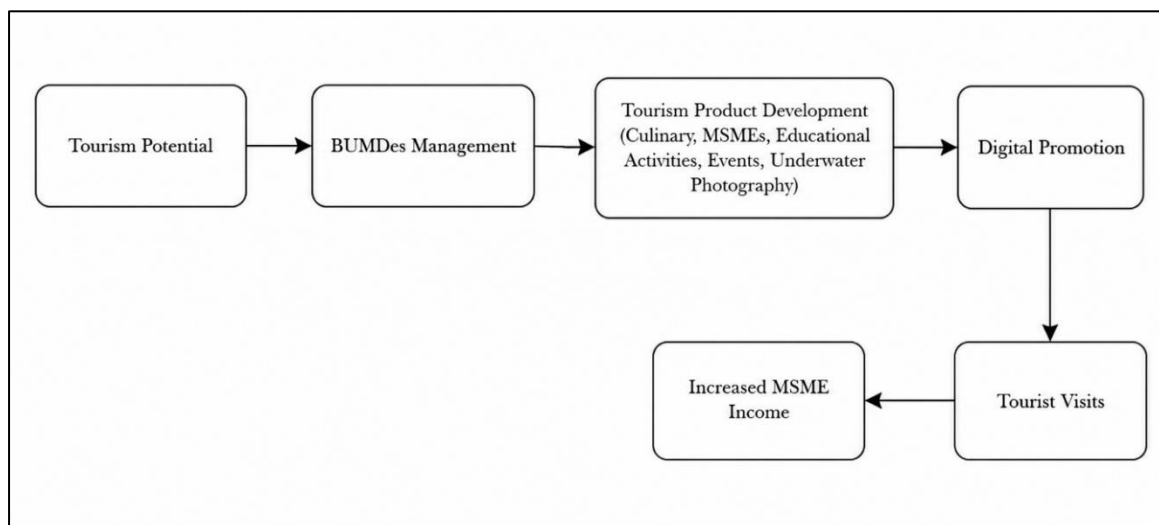
Down streaming analysis was conducted to examine opportunities for developing *Umbul* tourism so that it does not rely solely on water springs and underwater tourism as its main attraction, but is also able to generate value added for the community and tourism managers. Through the development of various supporting products and services, *Umbul* tourism is expected to provide greater economic benefits while also enhancing destination competitiveness. Based on observations and interviews, *Umbul* tourism has various potentials that can be further developed through cooperation among managers, communities, and local business actors, thereby creating new business opportunities and income sources for the surrounding community.

**Table 5.** Mapping of *Umbul* Tourism Downstreaming Potential

| Main Potential              | Derivative Products/Services                                                       | Value Added Generated                            |
|-----------------------------|------------------------------------------------------------------------------------|--------------------------------------------------|
| Underwater tourism          | Underwater photo and video services, water tourism equipment rental                | Increasing income in the tourism services sector |
| Natural water springs       | Environmental education and water conservation tourism                             | Diversification of tourism products              |
| Local culinary              | Culinary centers and regional specialty foods                                      | Increasing MSME income                           |
| MSME products               | Souvenirs and regional specialty gifts                                             | Creating new business opportunities              |
| Local culture and community | Cultural festivals and tourism events                                              | Increasing tourism appeal and visits             |
| Digital media               | Social media-based tourism promotion content                                       | Expanding the tourism market reach               |
| Integrated tourism          | Tour packages combining <i>Umbul</i> tourism, culinary tourism, and nature tourism | Increasing tourist length of stay                |

Based on Table 4, opportunities for developing *Umbul* tourism stem not only from water tourism and underwater activities, but are also supported by culinary potential, MSMEs, educational tourism, and cultural activities. This shows that *Umbul* tourism has the opportunity to be developed in a more integrated manner, so that economic benefits are felt not only by tourism managers, but also by the community and local business actors around the tourism area. To understand how this value added

can be created, the development process of *Umbul* tourism can be explained through a value chain that illustrates the flow of utilizing tourism potential to generate economic benefits for the community.



**Figure 2.** *Umbul* Tourism Downstreaming Value Chain

Based on Figure 2, the down streaming process of *Umbul* tourism begins with the utilization of natural water springs and underwater tourism as the main attraction. This potential is then developed by BUMDes, Pokdarwis, and the community through various tourism products and services supported by promotion through digital media. The growing number of tourists not only benefits tourism managers but also drives the growth of culinary businesses, MSMEs, and various supporting services around the tourism area. In terms of development readiness, *Umbul* tourism has fairly supportive conditions, as shown by an active managing institution, government support, and high tourist interest in visiting. The SWOT analysis results, which place *Umbul* tourism in Quadrant I (*growth strategy*), also show that this destination has substantial potential for continued growth. Nevertheless, improving the quality of human resources and strengthening digital marketing are still needed so that tourism development can run more optimally and provide broader economic benefits for the surrounding community.

## Discussion

The SWOT analysis results show that *Umbul* tourism is positioned in Quadrant I (*growth strategy*), meaning it has substantial strengths and opportunities for development. The main advantage of *Umbul* tourism lies in its unique underwater attraction, the consistently preserved quality of its water springs, and governance that has run fairly well through BUMDes Tirta Mandiri. This condition provides opportunities for sustainable destination development through tourism product diversification and improved service quality. This finding is consistent with research by Lazuardina et al., (2024) stating that tourist destination development requires an integrated strategy, institutional support, and sustainable management in order to enhance the attractiveness and competitiveness of tourist destinations.

The regression analysis results show a strong relationship between tourism governance and destination competitiveness, with an R value of 0.745. This indicates that the better the governance implemented, the higher the competitiveness of *Umbul* tourism. This finding is supported by Siringoringo et al., (2024) who explain that destination competitiveness is influenced by the quality of destination management, tourism resources, services, and the destination's ability to adapt to tourist needs. In addition, government policy, business actor involvement, and local culture have an important influence on improving tourist destination competitiveness (Baptista et al., 2021). The success of sustainable tourism development is influenced by collaboration among the government, community, and tourism managers through a *collaborative governance approach*.

The down streaming analysis results show that *Umbul* tourism has the opportunity to develop various derivative products and services such as underwater photo services, educational tourism, local culinary, MSMEs, cultural festivals, and integrated tour packages. This development can create broader economic value added for the surrounding community and strengthen the tourism economic chain. These findings are consistent with research (Sutono et al., 2024) explaining that destination development through a *tourism value chain* approach can increase local economic benefits by involving MSMEs, tourism services, digital promotion, and community groups. Other research by Adi et al., (2024) also confirms that community-based tourism development requires the involvement of various actors in the tourism value chain so that economic benefits can be felt more evenly by the local community. In addition, research Kristiadhi et al., (2025) explains that underwater-based tourism has substantial potential to create economic value added through supporting services, digital promotion, and the development of derivative tourism products integrated with the local community.

Overall, the SWOT, regression, and down streaming analysis results show that *Umbul* tourism has substantial potential for development. Destination strengths and sound governance are the main capital for improving competitiveness, while the development of derivative tourism products can broaden economic benefits for the community and support the sustainability of *Umbul* tourism destinations. This finding is further reinforced by various studies showing that collaborative governance, strengthened destination competitiveness, and the development of the tourism value chain are important factors in supporting sustainable tourism development.

## CONCLUSION

This research shows that *Umbul* tourism has substantial potential for continued growth through strengthened governance and the utilization of available opportunities. The SWOT analysis results place *Umbul* tourism in Quadrant I (growth strategy), indicating that this destination is supported by strong internal strengths and external opportunities. The regression analysis results also confirm that tourism governance has a strong and significant relationship with destination competitiveness, making the quality of management an important factor in enhancing tourism appeal and sustainability. Meanwhile, the down streaming analysis shows that the development of various supporting products and services, such as educational tourism, local culinary offerings, MSMEs, tourism services, and cultural activities, can create broader economic value added for the surrounding community. These findings contribute to the development of business management science, particularly in understanding the importance of governance, value chain management, and collaboration among stakeholders in creating sustainable competitive advantage. Based on these findings, the implementation of the growth strategy requires coordinated actions among destination managers, local government, MSMEs, and local communities. Destination managers should prioritize improving service quality, digital marketing, tourism product innovation, and integrated destination management. Local governments should support infrastructure development, capacity building, promotion, and regulatory facilitation, while MSMEs and local communities can be encouraged to develop value-added tourism products and services. These actions should be implemented through regular coordination, clear division of responsibilities, and periodic evaluation to ensure that the growth strategy strengthens destination competitiveness and generates sustainable economic benefits for the local community. Therefore, efforts to enhance human resource capacity, strengthen digital marketing, and develop more integrated tourism products need to be continued so that the economic benefits and competitiveness of *Umbul* tourism can increase sustainably.

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