

Impact Of Destination Management Organization On The Development Of Sugihen Tourism Village

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ABSTRACT

This study aims to examine the impact of Destination Management Organization (DMO) on the development of Sugihen Tourism Village, by examining how coordination and strategies implemented by DMO can improve economic growth, cultural preservation, and environmental sustainability in the tourism village. The study used a mixed methods approach, which integrates quantitative and qualitative methods. Quantitative data were obtained through a survey of 120 respondents, which were analyzed using multiple linear regression tests and descriptive analysis to measure the relationship between the perception of the role of DMO (independent variable) and the level of tourism village development (dependent variable). The results showed that an effective DMO role is key to optimizing tourism village development. Solid coordination, integrated marketing strategies, and active community participation are important elements that support improving the quality and competitiveness of tourism villages, while maintaining cultural and environmental sustainability. These findings are also supported by qualitative data that reveal the role of DMO in strengthening coordination between stakeholders and increasing active community participation in strategic decision making. Thus, this study confirms that the implementation of an effective, participatory, and integrated destination management model is the main key to achieving sustainable tourism village development and improving the welfare of local communities.



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INTRODUCTION

Village tourism is one of the leading sectors in supporting local-based economic development and cultural preservation ([UNWTO., 2022](#)). Village tourism is a special attraction because it offers an authentic experience through natural wealth and preserved traditions. In Indonesia, the development of tourism villages continues to be encouraged, including in North Sumatra which has great potential, such as Sugihen Tourism Village.

However, it is not enough for the development of tourist villages to rely solely on natural and cultural potential. The role of the Destination Management Organization (DMO) is crucial in ensuring structured, sustainable, and competitive destination management ([Bornhorst et al., 2010](#)). DMOs are tasked with coordinating various stakeholders, managing marketing, and maintaining a balance between increasing tourist visits and preserving culture and the environment ([Morrison, 2019](#)).

Sugihen Tourism Village faces challenges that are common to many tourism villages, such as uncoordinated management, lack of community participation, and less than optimal promotion and supporting facilities. According to ([Pike & Page, 2014](#)), effective destination management requires synergy between local communities, businesses, and the government. In this context, DMOs are present to become the bridge and the main driver so that the development of tourist villages is more focused and has a positive impact on the local economy and culture.

A previous study by ([Hall, 2011](#)) confirmed that an effective DMO must be able to harmonize economic, social, and ecological goals in order for the destination to remain competitive as well as sustainable. Similar research in Indonesia by ([Yulianda, 2021](#)) also found that the role of DMOs in village ecotourism can increase community income by up to 30%, provided that participatory management must be prioritized.

Research by ([Yulianda, 2021](#)) shows that active community participation in destination management plays an important role in improving environmental sustainability and social welfare. In their research, it was found that ecotourism approaches that involved communities directly in the decision-making process resulted in significant improvements in the economic and social resilience of village communities ([Yulianda, 2021](#)). These findings support the importance of the DMO's role in creating a platform for community participation, which in turn supports the sustainable development of Sugihen Tourism Village.

Research by ([Mariani et al., 2022](#)) highlighted the role of DMOs in improving the competitiveness of tourist destinations. The study asserts that community-based destination management can improve the economic and social sustainability of tourist villages. The role of Destination Management Organizations (DMOs) is crucial in ensuring the sustainability of rural tourism by integrating local participation and environmental conservation strategies. The relevance for Sugihen Village is that the DMO model implemented in Sugihen must emphasize on the active participation of the community so that the economic benefits can be felt directly by local residents.

The study by ([Hall & Gössling, 2023](#)) shows that the success of tourist villages is highly dependent on the DMO's role in creating policies based on social inclusiveness. 'An effective DMO governance model is one that ensures fair benefit distribution among local stakeholders while preserving cultural and environmental assets. Relevance for Sugihen Village: The organizational structure of the DMO in Sugihen should balance local economic and cultural interests, and ensure that the benefits of tourism are not only enjoyed by a few parties.

Research by [\(Buhalis & Sinarta, 2022\)](#) highlights the importance of digitalization in tourist destination management to improve global competitiveness. DMOs that use digital technology are able to attract more tourists with more effective marketing strategies. DMOs that leverage digital tools such as smart tourism applications and online engagement platforms tend to perform better in attracting international visitors and enhancing local experiences. Relevance for Sugihen Village: The implementation of technology in the promotion of Desa Sugihen through social media and digital tourism platforms can increase exposure and the number of tourist visits.

Research by [\(Yulianda, 2023\)](#) examined the role of DMOs in supporting adaptation to climate change in rural tourism destinations. The study found that ecotourism initiatives that are well-managed by DMOs can help tourist villages withstand the impacts of climate change. Community-based ecotourism management under the guidance of DMOs plays a vital role in climate adaptation and environmental sustainability. Relevance for Sugihen Village The DMO in Sugihen needs to implement community-based ecotourism strategies to face environmental challenges due to climate change.

The state of the art of this research with previous research is: DMO Effectiveness: Involvement and coordination between various stakeholders is crucial in optimizing destination management [\(Bornhorst et al., 2010\);\(Pike & Page, 2014\)](#), Sustainable Governance: Governance models that harmonize economic, social, and ecological aspects are key in achieving sustainable destination development [\(Hall, 2011\);\(Hall & Gössling, 2023\);\(Prayag et al., 2019\)](#), adaptation and ecotourism development supported by DMOs can increase village resilience to climate change and support community empowerment [\(Yulianda, 2021\);\(Yulianda, 2023\)](#), digital innovation in destination marketing and management is an important strategy to improve competitiveness and promotional effectiveness [\(Buhalis & Sinarta, 2022\);\(Ketter & Liu, 2019\);\(Xiang et al., 2015\);\(Rivera, 2021\)](#), integrated Approach, the synergy between stakeholder coordination, resource management, and community participation is a key foundation for developing excellent tourism villages [\(Mariani et al., 2022\)](#).

In the context of Sugihen Village, it is important to examine more deeply the impact of the existence of a destination management organization on the development of a tourist village. This research will examine the role of DMOs in optimizing village potential, improving community welfare, and maintaining cultural and environmental sustainability.

METHODS

This research uses mixed methods to integrate quantitative and qualitative data. This method was chosen in order to capture numerical aspects (such as increased visitation, local income, and village development indicators) as well as qualitative aspects (community perceptions, organizational dynamics, and socio-cultural impacts). The research design used was a case study in Sugihen Tourism Village,

where data was collected through: Quantitative Survey, In-depth Interviews, Field Observation and Document Study. Quantitative data analysis used is multiple linear regression analysis and descriptive test, to measure the relationship between the role of the DMO (independent variable) and the development of tourist villages (dependent variable). while qualitative data analysis is In-depth interview data and observation results will be analyzed by thematic analysis to identify key themes related to community participation, governance, and socio-cultural impacts. After the quantitative and qualitative data analysis is carried out, the research then triangulates the data, namely the results of the analysis of the two methods will be compared and combined to ensure the validity of the findings and produce a comprehensive model (Bornhorst et al., 2010) as for the framework of this research as follows:

RESULTS AND DISCUSSION

Results

a. Descriptive Test

Based on survey data involving 120 respondents (consisting of residents, business actors, and destination managers), the following results were obtained DMO Role Variable: Average score: 3.80 (scale 1-5) Standard deviation: 0,48 (Indicates a positive perception of the DMO's effectiveness in managing the destination).

Tourism Village Development variable average score: 3.65 (scale 1-5) standard deviation: 0.52 (Indicating that indicators of village development - in terms of economic, social, and cultural - are on the rise).

b. Multiple Linear Regression Test

The study used multiple linear regression tests to measure the effect of the DMO's role on the development of tourist villages. The following is a Summary Table of Regression Test Results:

Table 1. Multiple Linear Regression Test Results

Variable	Coefficient (B)	Standar Error	t-statistik	P-value
Intercept	1.150	0.280	4.11	0.000
DMO Role	0.425	0.098	4.34	0.000

R² value = 0.47: Indicates that 47% of the variation in tourist village development can be explained by the role of DMOs. F-statistic = 18.76 (p < 0.001): Indicates that the overall regression model is significant. Effective DMOs contribute significantly to improved destination performance through the integration of marketing strategies, infrastructure improvements, and local community empowerment (Mariani et al., 2022).

Discussion

The regression coefficient of 0.425 ($p < 0.001$) indicates that an increase in the perception of the DMO's role significantly increases the development of tourist villages. That is, each one-unit increase in the perceived effectiveness of DMOs is expected to increase tourist village development by 0.425 units ([Bornhorst et al., 2010](#));([Hall, 2011](#)).

The quantitative findings are supported by qualitative data that reveal that the DMO has strengthened coordination among stakeholders and increased community participation in strategic decision-making. One respondent stated: "The presence of the DMO provides space for us to actively participate in the development of the village, so that every initiative not only improves the economy but also preserves our culture." (Respondent, 2023).

Research results also show that the implementation of integrated marketing strategies and infrastructure improvements managed by DMOs play an important role in increasing tourist visits, which in turn has a positive impact on local income ([Pike & Page, 2014](#));([Chen & Huang, 2017](#));([Getz & Page, 2018](#)).

This result is consistent with the research of ([Mariani et al., 2022](#));([Hall & Gössling, 2023](#));([Ko, 2020](#)); which emphasize that an effective destination management model requires synergy between economic, social, and ecological aspects. Similarly, research by Yulianda et al. (2021) highlighted that active community engagement, facilitated by DMOs, strengthens economic resilience and environmental sustainability([Sharpley & Roberts, 2020](#));([Font & McCabe, 2016](#)).

CONCLUSION

The role of an effective DMO is key in optimizing the development of tourism villages. Solid coordination, integrated marketing strategies, and active community participation are important elements that support the improvement of the quality and competitiveness of tourism villages, while maintaining cultural and environmental sustainability.

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