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The Impact of Perceived Threat of Informal Actors, Core Competencies and Coopetition on Tourism Service Quality

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ABSTRACT

Many developing countries' tourism economies rely heavily on the informal sector. This includes the set of economic activities, often but not exclusively carried out in small firms or by the self-employed, that evade government requirements such as registration, tax and social security obligations, and health and safety regulations, known as informal actors. Both informal and formal players collaborate with one another through mutual trust and shared resources, which has the potential to improve resource utilization and efficiency. This study aims to investigate the impact of cooperative practices on tourism service quality, examine how informal actors influence cooperative practices and service quality, and analyze the role of core competencies among formal actors in shaping tourism service quality and cooperative dynamics. With 165 participants, this quantitative study made use of SPSS and structural equation modelling. We find that firms' core competencies influence tourism service quality, whether through coopetition or direct relations, whereas informal actors' threat influences tourism service quality solely through coopetition. The factors that contribute the most in: 1) core competencies are marketing, finance, and human resource competence; 2) perceived threat of informal actors are market competitiveness, the existence of informal actors, impersonators of informal actors, and price competitiveness; 3) coopetition are market commonality, resource similarity, and willingness to cooperate; and 4) tourism service quality are assurance, responsiveness, and empathy. This research contributes to the strategic management literature by expanding on basic game theory, transactional cost theory, resource-based theory, dynamic capabilities theory, and social network theory, all of which have the potential to lead to win-win situations and mutual benefits.

Keywords : perceived threat of informal actors, core competencies, coopetition, tourism service quality, strategic management research

INTRODUCTION

The tourism business has enormous potential all throughout the world (Camilleri & Camilleri, 2018; Soava, 2015). Following the COVID-19 outbreak in 2020-2021, global tourist arrivals increased by 962,8 million, or 65.7%, in 2022 vs 2019 (1,465.46 million). According to Figure 1, the Asia Pacific area provided 24.58% in 2019 and 10.44% in 2022. According to Statista (2023), there were approximately 5.47 million international arrivals in Indonesia in 2022. The travelers entered Indonesia via a variety of routes. Over the years, Indonesia has increased in prominence as a tourist destination, drawing tourists from all over the world. Foreign visitor arrivals in Indonesia increased by 470.37 percent year on year in March 2023 to 809.96 thousand (Trading Economics, 2023), with a tourist comeback gaining momentum as the economy is fully reopened from COVID restraints and active planning for the G20 conference in 2022. Furthermore, the government has extended visa-free travel to ASEAN and other 43 nations.

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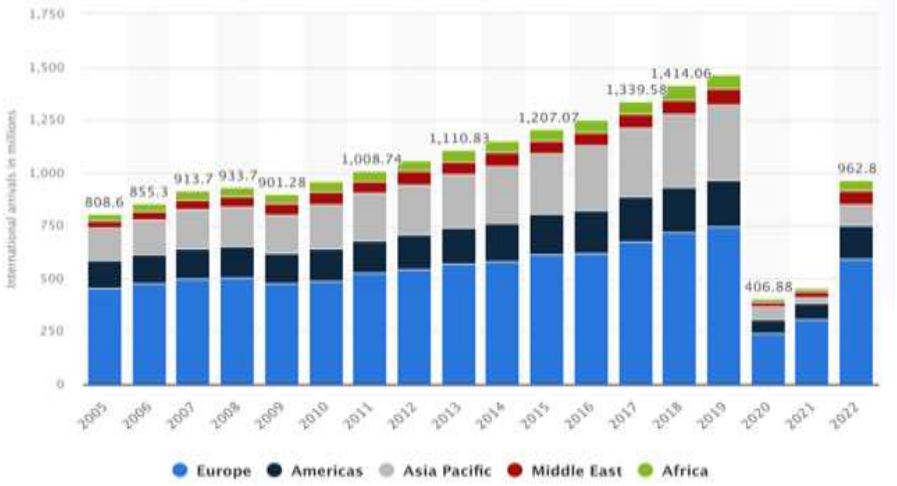

Figure 1. Global and regional breakdowns of the total number of foreign tourists. Statistics from Statista (2023)

More than five million new jobs will be created in Indonesia's travel and tourism sector over the next decade, according to the 2017 Economic Impact Report (EIR) by the World Travel and Tourism Council. Following nearly two years of economic hardship, the tourism industry will play a significant role in the country's recovery, according to the World Travel & Tourism Council (WTTC). Forecasts indicate that Indonesia's travel and tourism industry would expand at a rate of 10% per annum over the next decade, outpacing even the overall economy's projected 5.1% growth. The industry is expected to infuse an extra $72.9 billion (IDR 1,042 trillion) into the economy, contributing about US$ 118.4 billion (IDR 1,692 trillion) to GDP, or 5.7% of the total. World Travel & Tourism Council (2022) reports that this figure is lower than that of other G20 countries such as Turkey (11%), Spain (14%), Italy (13%), and ASEAN member Thailand (12%).

It is well recognized that the informal sector plays a significant role in the economy of tourism destinations. According to Omri (2020) and Xu et al. (2020), developing countries' economies are characterized by the existence of a large informal sector. In terms of "the set of economic activities, often, but not exclusively, carried out in small firms or by the self-employed, which elude government requirements such as registration, tax and social security obligations, and health and safety rules," Roberts refers to the "informal economy." So, people and businesses that do these kinds of things are called "informal actors." Informally acting people don't report themselves or their companies to the tax officials, as Williams and Martinez (2014) point out. In the tourism industry, "informal actors," also called "informal tourism entrepreneurs," are people or businesses that offer goods and services to tourists without being officially recognized (Mwesiumo, Juma Abdalla, Öztüren, & Kılıç, 2021).These people work as beach boys, cab drivers, private hire car owners, hotel staff, independent tour guides, and tour operators' staff like drivers and guides who provide tourism services on the side (Khornjamnong, 2017).

Others define this informal actor as water guys, unlicensed taxi drivers, street sellers, and pedicab drivers (Truong, Liu, & Pham, 2020). Informal Actor encourages the formation of new businesses, aids low-income families, and provides formalized companies with a competitive advantage and greater profitability (Mekonnen, Termeer, Soma, van Berkum, & de Steenhuijsen Piters, 2022). Despite these benefits, the underground economy has several disadvantages. Reduced tax income, lost confidence

in the destination, unfair competition among established enterprises, and an increase in crime are all consequences (Mwesiumo et al., 2021). Tourist destinations may perform badly as well, despite their best attempts to attract visitors, due to the prevalence of informality (Kumar & Dhir, 2020). Mwesiumo and colleagues (2021) investigated how informal entrepreneurs influenced the financial performance of formalized tour operators. Biggs et al. looked at the factors that make tourism businesses in Phuket, Thailand, resilient. They looked at how these businesses responded to the storm in 2004 and the political situation in 2008. When there was a problem, they found that informal players usually had better money situations than formal actors. Using activity-based theory, they found that service quality and efforts to get new customers are two of the most important factors that affect how well tour companies do in business.

One of Indonesia's most famous islands, Bali relies heavily on tourism to support its daily economy (Westoby, Gardiner, Carter, & Scott, 2021). The island serves as the focal point for Indonesia's tourist industry. The major sectors of its economy are the service sector, especially the hotel and tourist industries. At just under 20% of Indonesia's total hotel rooms in 2019, Bali was the primary destination. The island's reliance on international tourism lasted until 2019, when the number of foreign visitors increased year over year. Figure 2 shows that following a year with no international tourist arrivals, the number of foreign tourist arrivals in Bali increased to 1.19 million in 2022 (Antara & Sumarniasih, 2022).

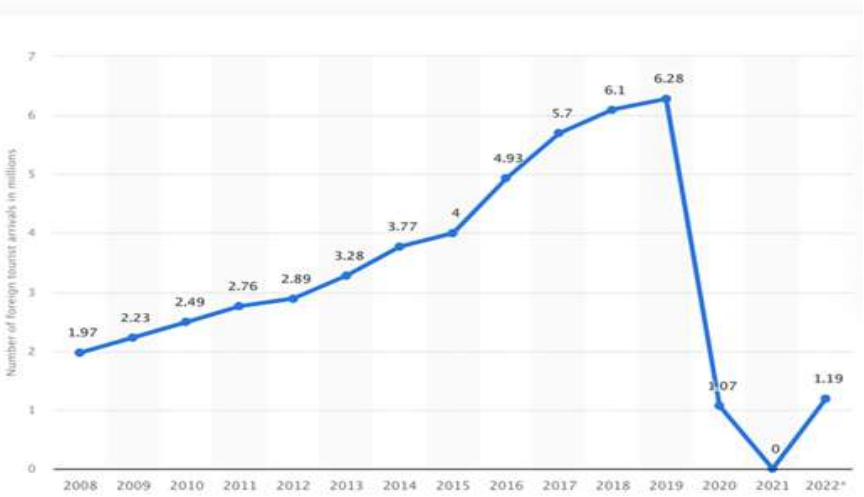

Figure 1. Foreign Visitor Arrivals in Bali 2008 - 2022 (Statista,2023)

Photographers, massage therapists, seaside vendors, meatball vendors, hawkers (also known as Acung merchants), and nail art artists are just a few examples of the informal players that profit from Bali's tourist industry. Everything from different kinds of food and drink to different shades of nail paint is available. According to Widastini, every individual or group operating in the informal economy seizes chances in the market depending on their skill set and the amount of money they possess. In this research the author will be focusing on Informal Actor which hustles around transportation and tourism guide. This study would define unlicensed tour guides, illegal vehicle rentals, locals (who offer some tourist destinations), and unqualified professionals (unaccredited surf instructors, unregistered diving instructors) as Informal Actors.

Because informal players in a destination are not required to pay the same taxes and other fees as formal actors, and because their enterprises are often smaller, they are able to charge less for their goods and services (Williams & Horodnic, 2017). Customers who are concerned about cost will be interested in them as a result (Mwesiumo et al., 2021). Therefore, it is possible to see informal actors as a potentially disruptive force in a destination. According to Guttentag, disruptive services tend to target low-end market niches, have a simple design, and provide poor-quality products at a cheap cost. In this study the Perceived Threat of Informal Actor is measured by 1) existence of informal players, 2) impersonator of informal players, 3) wage competitiveness, 4) price competitiveness, and 5) market competitiveness (Liljamo, Liimatainen, & Pöllänen, 2018).Established businesses, on the other hand, may not be keen on providing such services as they are primarily concerned with making as much money as possible while keeping their good name. It was said by Mwesiumo in 2019.

Initially cooperation and competition were designated as two diverse concepts, which cannot co-exist in a business context, this approach was grounded in the neoclassical economic theory. From a competitive standpoint, the aim of economic actors is to expand their competitive position in comparison to competing companies, but this target can only be achieved, if the competitive advantage of competing firms decreases. Thus, a win-lose situation occurs, and this scenario is also known as zero-sum game structure. The cooperative concept describes the firm interdependences from a different angle, where strategic alliances and networks play an essential role for companies. Firms share their knowledge, resources, and capabilities to reinforce their competitive position and it is not the objective to weaken the market position of competitors. This leads to a positive sum-game structure, where win-win situations arise. However, these two perspectives, in an isolated manner, do not allow a holistic view on interdependences among organizations, because some important features are neglected in each perspective. Hence, the concept of coopetition was developed, to overcome this challenge.

The concept of coopetition was introduced in the 1980s when Raymond Noorda, the founder and CEO of Novell, described the concept of coopetition as an important business strategy, which leads to a paradigm shift regarding the cooperative and competitive perspective among 5 companies. The origin of coopetition, as an important research field in academic literature, was the book of Brandenburger & Nalebuff in 1996. Henceforth, coopetition can be regarded as a hybrid form of cooperative and competitive interdependences among companies, which appear simultaneously. As a result, economic actors can have cooperative and competitive relationships at the same time and cooperation and competition could co-exist. Cooperatition as an economic term has its roots in game theory, whereby economic players get reciprocal gains from the intricate interaction of cooperation and competition. Over time, several other theories were applied as theoretical background. According to Bouncken et al. (2015), these theories are the transactional cost theory, the resource-based view, the dynamic capabilities theory, the social network theory as well as the game theory, which is still used today. From a game theoretical perspective, it is suggested that coopetition could potentially lead to win-win situations and mutual benefits, even though when working together with competitors, but it is not necessary that these benefits are equally distributed between the participating parties.

Coopetition is a multifaceted business strategy, and it is not straightforward to implement coopetitive relationships. Economic players have the intention to collaborate, while making sure they don't ignore their own well-being. Cooperative competition has both positive and negative outcomes, as predicted by game theory. "The double-edged sword of coopetition" describes the dynamic between these two forces Damayanti et al. (2017) suggest that coopetition can assist actors in dealing with the challenges and uncertainty posed by external business environments. Cooperative competition is employed in tourism studies to better understand the connections between diverse groups. The techniques were less important in these investigations than the outcomes. Much remains to be learned about "how to *coopete*" (Czernek & Czakon, 2016). Businesses may work with competitors to improve their position in a competitive economic climate (Della Corte & Aria, 2016). Bengtsson and Kock (2014) suggest that using the concept of "a paradoxical connection between two or more actors, regardless of whether they are in horizontal or vertical relationships, engaged in cooperative and competing interactions," this definition of "coopetition" is more appropriate.

Improving quality standards, manufacturing efficiency, and product innovation are just a few of the many good consequences and drivers of coopetition that have been listed in the literature (Gnyawali & Park, 2011; Luo, 2007). Other drivers include influencing a third party, achieving economies of scope, and creating industry standards. The term "coopetition" is used to describe a business model that has elements of both collaboration and competition. (Dagnino & Padula, 2002) In this study Coopetition is measured by 1) resource similarity, 2) willingness to cooperate, 3) market commonality (Wu, 2022).

From the formal actor's perspective, According to Jumaah (2019), the concept of core competencies is contingent on the strategic thinking of the organization, the nature of its business entities, and its most essential characteristics, as well as the industry in which the organization operates. Organizations that use competence management frequently maintain a list of their key capabilities. Yet all too frequently, these lists are simply copies of popular indexes used by organizations that are comparable to them, and they don't always accurately reflect the company's unique business strategy (Matuska, 2015). Asking questions such, "Why is the consumer ready to spend more or less for products or services from one firm over another?" might help you identify a company's major assets. Core competencies should change as the business environment does. They are flexible and evolve over time. In order to accomplish business objectives, a firm's core skills must grow and alter as it adapts to new conditions and opportunities. The vast majority of businesses and institutions place a premium on customer satisfaction and quality service. Increasing sales is the most certain approach to decrease costs and raise profits, both of which are main objectives of any firm (Zameer et al., 2015). According to Fida et al. (2020), customers are more likely to be satisfied when they get services of a high quality. Organizations in the travel and tourism industry, like any other industry, need service quality management programs to thrive. These efforts are made with the intention of improving product and advertising techniques alike. Due to the correlation between a product's quality and its market performance and, by extension, customer satisfaction, this factor is vital (Danish, 2018; Farooq & Salam, 2018). Therefore, we need to prioritize either product or service quality in order to provide our customers with the best possible experience and happiness. Businesses must also be evaluated to see whether they are upholding the minimum requirements set by their customers (Bhuian, 2021). This study measures core competencies by 1) marketing competencies, 2) human

resource competencies, 3) research and development competencies, and 4) financial resource competencies (Moga, 2020).

A service approach has been developed by a number of researchers over several decades Customer values, assessment criteria, and circumstances might vary widely, so it's important to put yourself in their shoes while thinking about service quality. According to Kumra's study, service quality includes not only the end item or experience, but also the making and delivering process; hence, employee engagement in process improvement and dedication are required for the development of final tourist goods or services. "Customer's perception of the performance of services based on service dimension and accompanying service quality assessments" is how service quality is characterized. Ahrholdt et al., 2017. The Danes (2018) characterize service quality as a comparison between customer demands and performed service. Fida et al. (2020) described the level of service as an enterprise's or sector's essential ability to meet the requirements of its consumers. Elvira and Shpetim (2016) define service quality as a kind of assessment that is used to demonstrate long-term evaluation. Othman et al. (2019) continued the research that highlighted the deep relationships between civility, interaction, trustworthiness, competence, and security. These linkages aided in the development of traits such as empathy and confidence.

A comprehensive inventory of five dimensional characteristics, which includes responsiveness, tangibility, assurance, dependability, and empathy, was compiled as a result. In the words of Khan et al. (2017), these five fundamental aspects comprise the guiding principles for measuring service quality with the SERVQUAL model. In this study the dimensions of tourism service quality are: 1) responsiveness, 2) tangibility, 3) assurance, 4) reliability, and 5) empathy.

Research Problems and Gaps

Since the 1990s, the development of the internet has substantially accelerated the expansion of the informal sector. By providing clients with direct access to service providers, the internet has played a significant role in disintermediation. Consequently, contemporary clients may easily connect and interact with a variety of service providers, whether official or informal players, and compare rates (Perren & Kozinets, 2018). Official tourism players in underdeveloped nations often complain about unfavourable rivalry from informal rivals. Their concerns are genuine, given the regulatory hurdles they face, such as the complicated business registration processes, exorbitant taxes and fees, long lines for permits, and ongoing government agency inspection. Informal operators, on the other hand, do not invest in achieving these legislative standards. Consequently, formal players have higher operational expenses than informal actors (Keohane, 2017) . Informal actors, on the other hand, engage in activities that harm tourist sites.

In many developing nations, formal actors strive to engage with them to reach a mutually beneficial accord while fighting each other. According to background study, the formal players identify many dangers that might disrupt their commercial operations. Tourists seldom visit a place with only one firm, but they typically experience the destination (Cetin & Bilgihan, 2016). To build a site and a tourist experience, numerous private and governmental organizations must work. Therefore, the tourist sector is primed for partnerships. The tourism industry is comprised of several unique players and sectors, each of which may be investigated to better understand the function of cooperation in destination development (Goffi, Cucculelli, & Masiero, 2019).

When a company focuses on building its core strengths, it can better serve its target customers and stay ahead of the competition in the long run. According to Zimmerer et al., a company's core competencies are its unique set of strengths that allow it to beat its competitors in important areas including quality, customer service, innovation, teamwork, responsiveness, and adaptability. Meanwhile, in the service sector, service quality is crucial since it is directly related to the level of customer happiness. With so much rivalry in the market today, it's imperative that service providers provide nothing less than the highest quality. Customers are loyal to businesses that they believe will give them superior customer care.

We measure the danger of informal players from the viewpoint of formal actors and the fundamental capabilities of the formal actors themselves. This research bridges the gap between the influence of coopetition techniques on tourism service quality and the impact of formal actors' own capabilities. Our study stands out from the others because we zeroed focused on how cooperative behavior affects the quality of tourist services. The difficulties faced by formal tourism players due to unfair competition from informal counterparts and the significance of core competences have been previously investigated by Mwesiumo (2021) and Damayanti (2017).

This research makes a significant contribution to the academic literature with a focus on coopetition, which is the interaction between formal and informal actors in the tourism sector. Previously, Abdalla et al. (2022) examined the impact of threats from informal actors on the operational performance of formal tour operators, showing that such threats can affect performance. Mwesiumo et al. (2021) also examined how informal actors affect the business performance of formal actors, confirming that informal actors have a significant impact on the operations of formal actors. In addition, Damayanti et al. (2019) explain the importance of coopetition in tourism destination management, while Gnyawali & Park discuss the impact of coopetition on innovation and firm performance. This research is different from these studies because it reveals how coopetition can improve the quality of tourism services. Using quantitative methods and structural equation modeling, this study offers strong empirical evidence regarding the relationship between informal actors' threats, core competencies, and tourism service quality. An integrated approach combining transaction cost theory, resource-based theory, and social network theory provides a more comprehensive understanding of the dynamics between formal and informal actors. The focus on the tourism sector in Bali creates a uniquely relevant context, given that Bali is one of the leading tourism destinations that is heavily influenced by such interactions. As such, this research not only enriches academic knowledge, but also offers practical insights for better tourism management in Indonesia and other developing countries.

This study is driven by a strategic and purposeful orientation, outlining clear objectives to explore key factors influencing tourism service quality. The objectives include investigating the impact of coopetition practices on tourism service quality, examining how informal actors affect both coopetition practices and service quality, and analyzing the role of core competencies among formal actors in shaping tourism service quality and coopetition dynamics. The research focuses on Bali’s tourism sector, with a specific emphasis on transportation and tour operators. The primary subjects of this study are the formal entities operating within the sector, comprising approximately 1,000 legally registered organizations managed by owners and administrators. This context provides a comprehensive framework to assess the interactions and influences that shape service quality in Bali’s competitive and dynamic tourism landscape.

RESEARCH METHOD

The object of this study is formal actors in the tourism industry, including tour operators and officially registered transportation service providers. The research was conducted in the period January to March 2023 in Bali, Indonesia. To determine the relationship between the constructs, research hypotheses were developed through a logical synthesis of previous studies and a review of relevant literature. A deductive research paradigm was used in this investigation, which included reviewing relevant theories, then formulating hypotheses directly related to the main topic of the study, and testing these hypotheses through primary data collected using surveys and questionnaires.

By using a quantitative methodology and cross-sectional data, this research can only reflect the current state of affairs in the industry at the time the data was collected. Therefore, this research cannot determine causal relationships between concepts, can only describe the existing state of affairs, and may not be able to draw attention to specific sectors.

The questionnaire was rolled out in two stages: a pilot stage where it was determined whether any further improvements were needed to the measurement, and a data collection stage where a modified or refined version of the questionnaire was administered to respondents in the target population, with pilot respondents excluded. With 165 participants, this study utilized SPSS software and structural equation modeling (SEM) for data analysis. From the analysis conducted, it was found that firms' core competencies affect tourism service quality, both through coopetition and direct relationships, while threats from informal actors affect tourism service quality only through coopetition.

RESULT AND DISCUSSION

Pre-Data Analysis Measure

Data Screening and Analysis

Once the data from the Google-Forms questionnaires has been exported to a format compatible with Microsoft Excel, it will be prepared for analysis in SPSS and SmartPLS. The first step is to screen the data for missing values among the 165 respondents. Any missing data will be noted and addressed accordingly. The next step is to run the data through multivariate outlier screening to exclude any responders that could be considered invalid or unusual. Mahalanobis Distance (MD) analysis, which looks for multivariate outliers in the data, is used in the screening process. To find outliers, MD analysis determines the permissible gap between data points and labels them as such. To find the appropriate distance from the center, MD analysis plots the data.

A chi-square distribution with the relevant degrees of freedom is compared to MD to get the probability value. The total number of variables needed to calculate MD determines the degrees of freedom. A probability value below 0.001 indicates a high degree of statistical significance, making it possible to identify multivariate outliers, which are defined by deviations in many variables.In this specific analysis, four multivariate outliers have been identified among the 165 respondents, based on the determined probabiliy threshold (0.7). These outliers will be further examined and may be excluded from subsequent analyses to ensure the validity and reliability of the data.

Normality and Collinearity

Normality

The concept of statistical normality refers to the presence of a normal distribution within the data being analysed (D'Agostino, 2017). Tabachnick and Fidell (2007) explain that a normality test examines the characteristics of the data and variables under investigation, as well as any potential association with a normal distribution. Conducting a normality test is crucial as it helps determine the appropriate statistical tests to apply based on whether the data follows a normal distribution or not. Parametric and nonparametric tests are valid for normally distributed and non-normally distributed data, respectively (Orcan, 2020).

The Shapiro-Wilk test and the Kolmogorov-Smirnov test are two popular methods for determining normalcy. The significance level (Sig) that these tests provide is a measure of how likely it is that the data follows a normal distribution. Data that does not conform to a normal distribution are indicated by a Sig value that is lower than the established significance threshold, which is often 0.05. In the present study, Table 4.2 displays the results of the normality test conducted on the data. The Sig values for each construct are reported as 0.000, which is less than the significance level of 0.05. This indicates that the data is considered to have an abnormal distribution, deviating from a normal distribution. Additionally, the normality of the data can also be assessed by examining the histogram and comparing it to a bell curve, which represents a normal distribution.

Table 1 Normality

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
PT	.219	162	<,001	.826	162	<,001
COOP	.230	162	<,001	.811	162	<,001
CC	.207	162	<,001	.831	162	<,001
TSQ	.207	162	<,001	.830	162	<,001

a. Lilliefors Significance Correction

Collinearity

Multicollinearity refers to a situation in which two or more independent variables exhibit a substantial association with each other (Field, 2009; Montgomery, Peck, & Vining, 2015). To mitigate the risk of multicollinearity, it is generally recommended to maintain a coefficient of correlation between variables below 0.9 (Hair et al., 2010; Tabachnick & Fidell, 2007). In the present investigation, it is noted that the data does not follow a normal distribution. To assess the degree of correlation between two constructs or variables (bivariate), the non-parametric Spearman's Rho correlation test is employed in SPSS. The Spearman correlation coefficient, presented in Table 4.3, is utilized to determine if there is a high correlation between the constructs.

Based on the reported Spearman correlation coefficient being less than 0.9, it can be concluded that collinearity among the constructs does not seem to be a concern. The correlation between the variables is not strong enough to suggest the presence of multicollinearity. Regression is the second tool to verify the presence of collinearity. The purpose of this research is to determine whether there is collinearity between independent factors and dependent variables by evaluating the values of VIF, Tolerance, and the Condition Index. There is no collinearity between the constructions, as shown by the VIF < 5, tolerance value > 0.2, and condition index below 35.

Table 2 Collinearity

Correlations

			PT	COOP	CC	TSQ
Spearman's rho	PT	Correlation Coefficient	1.000	.427**	.404**	.404**
		Sig. (2-tailed)		0.000	0.000	0.000
		N	162	162	162	162
	COOP	Correlation Coefficient	.427**	1.000	.478**	.479**
		Sig. (2-tailed)	0.000		0.000	0.000
		N	162	162	162	162
	CC	Correlation Coefficient	.404**	.478**	1.000	.513**
		Sig. (2-tailed)	0.000	0.000		0.000
		N	162	162	162	162
	TSQ	Correlation Coefficient	.404**	.479**	.513**	1.000
		Sig. (2-tailed)	0.000	0.000	0.000	
		N	162	162	162	162

**. Correlation is significant at the 0.01 level (2-tailed).

Reliability

As a measure of scale reliability, Cronbach's Alpha is used to ascertain the construct's dependability in relation to the samples. A metric that determines the internal consistency of an evaluation tool is Cronbach's alpha (α). Acceptable range for Cronbach's alpha is 0.6 to 0.8. (Reference: Shi ji et al!, 2012) With an overall internal consistency of 0.932, all of the intuitive scale's Cronbach's alpha scores were above 0.6 (0.681 -- 0.930) in this research. The four constructs' Alpha coefficients are more than 0.6, meeting the reliability test's acceptable threshold, as shown in table 4.4 below.

Table 3. Reliability

	Cronbach's alpha	N of Items
CC	0,972	23
COOP	0,937	11
PT	0,848	5
TSQ	0,972	22

Descriptive Static Analysis

Data analysis and insight into respondent characteristics about the various dimensions are accomplished descriptive statistics tools in SPSS version 26 and SmartPLS version 4. In this specific research, in this specific research, Cronbach's Alpha is used to assess the construct's dependability All four dimensions (Perceived Threat of Informal Actor, Core Competencies, Tourism Service Quality have Cronbach's alpha above 0.7. And fall within the range of Cronbach's Alpha from previous studies, suggesting good reliability.

Table 4. Descriptive Static Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PT	162	3.00	5.00	4.4290	.44883
COOP	162	3.00	5.00	4.4815	.46920
CC	162	3.00	5.00	4.4506	.46025
TSQ	162	3.00	5.00	4.4753	.45888
Valid N (listwise)	162				

For the purpose of conducting an analysis of the data that was acquired and carrying out respondent profiling with respect to the various constructs, this research used descriptive statistics using SPSS version 26.

Table 5. Descriptive Static Analysis PT

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PT1	162	3	5	4.38	.523
PT2	162	3	5	4.51	.537
PT3	162	1	5	4.11	.841
PT4	162	2	5	4.46	.580
PT5	162	3	5	4.48	.537
Valid N (listwise)	162				

According to the descriptive statistics analysis of PT it shows that PT5 which is market competitiveness have the highest value among the others. This indicate that PT5 is the most significant aspect of PT.

Table 6. Descriptive Static Analysis COOP

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
COOP1	162	3	5	4.44	.546
COOP2	162	3	5	4.44	.557
COOP3	162	2	5	4.09	.814
COOP4	162	3	5	4.44	.557
COOP5	162	3	5	4.43	.555
COOP6	162	2	5	4.50	.582
COOP7	162	3	5	4.47	.548
COOP8	162	3	5	4.48	.592
COOP9	162	3	5	4.52	.560
COOP10	162	3	5	4.46	.547
COOP11	162	3	5	4.52	.537
Valid N (listwise)	162				

According to the descriptive statistics analysis of COOP. It shows that COOP9 and COOP11 which are Market Commonality have the highest value among the others. This indicate that Market Commonality is the common problems for both formal and informal actors.

Table 7. Descriptive Static Analysis CC

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CC1	162	3	5	4.49	.549
CC2	162	3	5	4.49	.537
CC3	162	3	5	4.46	.547
CC4	162	3	5	4.49	.537
CC5	162	3	5	4.41	.553
CC6	162	3	5	4.46	.536
CC7	162	3	5	4.46	.547
CC8	162	3	5	4.41	.541
CC9	162	3	5	4.49	.537
CC10	162	3	5	4.50	.537
CC11	162	3	5	4.46	.536
CC12	162	3	5	4.49	.537
CC13	162	3	5	4.52	.537
CC14	162	3	5	4.12	.825
CC15	162	3	5	4.44	.534
CC16	162	3	5	4.51	.537
CC17	162	3	5	4.52	.537
CC18	162	3	5	4.46	.536
CC19	162	3	5	4.51	.537
CC20	162	3	5	4.12	.799
CC21	162	3	5	4.46	.569
CC22	162	3	5	4.48	.537
CC23	162	3	5	4.41	.553
Valid N (listwise)	162				

According to the descriptive statistics analysis of CC. It shows that CC16 (Research and Development) and CC13 (Human Resources) are the two biggest in this category. From the questionnaire both of them are belong to the workers which CC13 is the worker competence itself and CC16 is the collaboration between team in the organization to coordinate the development and research.

Table 8. Descriptive Static Analysis TSQ

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
TSQ1	162	3	5	4.48	.571
TSQ2	162	3	5	4.49	.571
TSQ3	162	3	5	4.46	.569
TSQ4	162	3	5	4.49	.549
TSQ5	162	3	5	4.45	.547
TSQ6	162	3	5	4.43	.567
TSQ7	162	3	5	4.45	.547
TSQ8	162	3	5	4.52	.549
TSQ9	162	3	5	4.43	.577
TSQ10	162	3	5	4.48	.549
TSQ11	162	3	5	4.46	.548
TSQ12	162	3	5	4.48	.549
TSQ13	162	3	5	4.45	.558
TSQ14	162	3	5	4.49	.537
TSQ15	162	3	5	4.45	.535
TSQ16	162	3	5	4.48	.537
TSQ17	162	3	5	4.48	.537
TSQ18	162	3	5	4.43	.533
TSQ19	162	3	5	4.49	.537
TSQ20	162	3	5	4.49	.537
TSQ21	162	3	5	4.54	.536
TSQ22	162	3	5	4.48	.537
Valid N (listwise)	162				

According to the descriptive statistics analysis of TSQ. It shows that TSQ21 is the highest among all. TSQ21 is Empathy, which mean the employee of organization or the formal actors care about you. This is related to the others which still fall in the category of human resources.

Structural Equation Modelling Analysis

The structural equation modeling (SEM) that was performed in this investigation was carried out using SmartPLS (version 4). As stated by Fan et al. (2016), structured equation modeling (SEM) is a statistical approach that is used for the purpose of evaluating hypotheses about the correlations that exist between variables in a research model. Both component analysis and route analysis are included into it. The Goodness of Fit (GOF) concept is being investigated in order to guarantee that the findings of the research are trustworthy and legitimate. A preliminary examination of the measurement model fit was carried out in order to ensure the validity and reliability of the research model. The determination of the t-values and s.f. values of the indicators Estimating reliability, on the other hand, may be accomplished by the computation of the average variance (AVE) and the resultant construct dependability (CR). In order to ascertain whether or not the structural model is accurate, the second step is to calculate t-values and SFL for the connections that exist between the variables. Finally, in order to evaluate the overall model fit, we make use of statistical metrics such as the root-mean-squared error (RMSE) and the goodness-of-fit index (GFI). As a result of Fan et al. (1999), Chen et al. (2010), and Hoyle (2011), limit values have been proposed for a number of indices; however, none of these limit values apply in a consistent manner.

Table 9. Measurement The Goodness of Fit

No	Measurement		Threshold value		Source
1	Measurement Model Fit	Construct Validity	t-values	≥ 1.96	Hair et al. (2011)
			SFL	≥ 0.3	
		Construct Reliability	CR	≥ 0.7	
		Convergent Validity	AVE	≥ 0.5	
		Fit indices	See Overall Model Fit		
2	Structural Model Fit / Overall model Fit		t-values	≥ 1.96	Hu & Bentler (1999) and Weston & Gore (2006)
			Structural Coefficient	n/a	
			CFI	good fit	≥ 0.9
			NFI	good fit	≥ 0.9
			NNFI	good fit	≥ 0.9
			IFI	good fit	≥ 0.9

Model Measurement Analysis

Table 10. Model Measurement Analysis

	Cronbach's Alpha	Description	rho_A	Description	rho_C	Description	Average Variance Extracted (AVE)	Description
PT	0.848	Good Fit	0.848	Good Fit	0.898	Good Fit	0.687	Good Fit
COOP	0.937	Good Fit	0.938	Good Fit	0.947	Good Fit	0.64	Good Fit
CC	0.972	Good Fit	0.972	Good Fit	0.974	Good Fit	0.642	Good Fit
TSQ	0.972	Good Fit	0.973	Good Fit	0.974	Good Fit	0.634	Good Fit

Independent Variables Model Measurement Analysis
Perceived Threat of Informal Actor

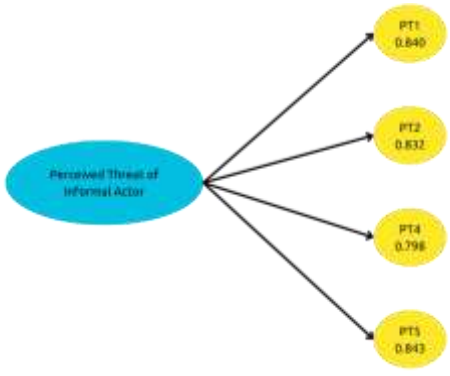

Figure 1. Perceived Threat of Informal Actor

There were five indicators in PT, but 1 indicator is not significant therefore we delete and proceed to the next level. From this table we can see that market competitiveness is the highest level, is where the informal players try to get the customer by any means possible. Following with the existence of informal player which informal players presence is threatening. The last two were impersonators of informal

players in which informal players try to imitate the products or services of formal player and price competitiveness is where the informal players ask the formal players to reduce their price of services.

Table 11. Perceived Threat of Informal Actors

PT5	0.843	Market Competitiveness
PT1	0.840	Existence of Informal Player
PT2	0.832	Impersonator of Informal Player
PT4	0.798	Price Competitiveness

Core Competencies

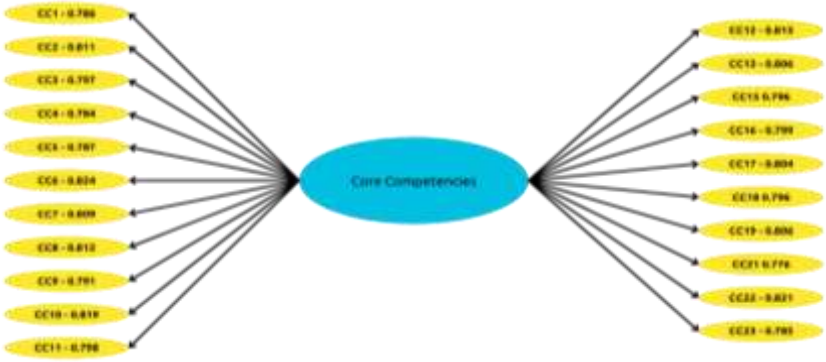

Figure 2. Core Competencies

There was a total of 23 indicators in core competencies, 2 of which were outliers. From the table below we can see CC6 is the highest which is marketing competence which represents the sales team from the formal actor is attractive. CC22 from financial resources which represents there is enough capital for wages and bonus. The last two is from Human Resources competence which represent incentive for creativity and innovation (CC10) and for CC12 is The company has attractive career development programs. From this we can see that the right person can elevate the company. To acquire the right person the company also needs to have enough resources to accommodate the employees and appreciate them too.

Table 12. Core Competencies

CC6	0.824	Marketing Competence
CC22	0.821	Financial Resources Competence
CC10	0.819	Human Resources Competence
CC12	0.813	Human Resources Competence

Coopetition

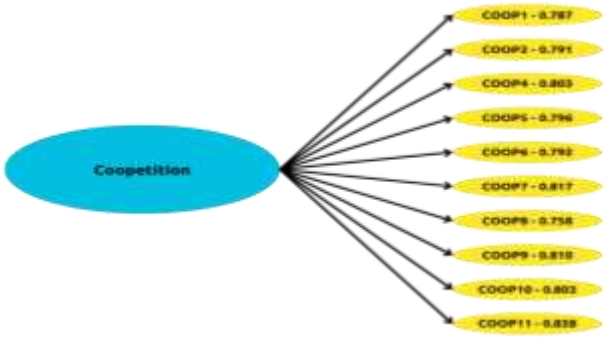

Figure 3. Coopetition

There are 11 indicators in Coopetition. The highest one is market commonality which are "facing the same target market." And the second one is able to accommodate each other resources. Following this we can assume that both formal and informal actors are competing in the same ocean and having the same resources while the (COOP9) said they are in the same competitive market. This similar market can be a good benefit for both if they are working together. The COOP4 also state that both parties can communicate well.

Table 13. Coopetition

COOP11	0.838	Market Commonality
COOP7	0.817	Resources Similarities
COOP9	0.810	Market Commonality
COOP4	0.803	Willingness to Cooperate

Dependent Variable Model Measurement Analysis
Tourism Service Quality

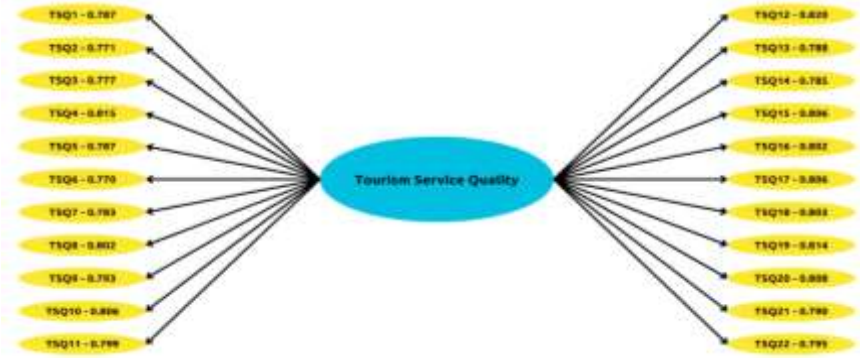

Figure 4. Tourism Service Quality

There are twenty-two metrics that measure the quality of tourism services. Employees with a high level of TSQ12 expertise are considered to have the best overall. Then there's Responsiveness TSQ4, which shows that staff members have enough time to respond to your inquiry. This leads us to believe that the tourist industry's service quality is dependent on its employees. Service quality is directly proportional to how good it is.

Table 14. Tourism Service Quality

TSQ12	0.820	Assurance
TSQ4	0.815	Responsiveness
TSQ19	0.814	Empathy
TSQ20	0.808	Empathy

Structural Model Analysis

In this study, the structural model fit analysis was carried out in order to assess the connections that exist between the several components that comprise the research model. This is shown in Figure 5, which can be seen below. The conclusion of this research, which is the degree to which the structural model meets the requirements of the data, will serve as the guiding principle for testing the hypothesis, which will be discussed in the section that follows after this one.

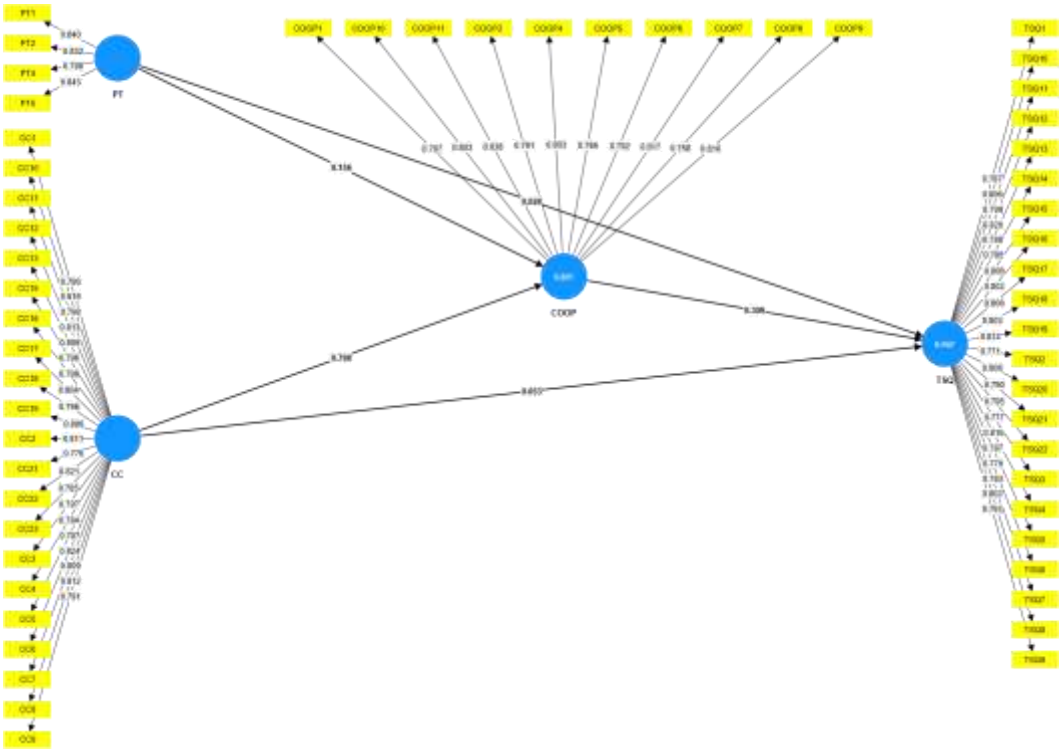

Figure 5. Structural Model Analysis

Hypotheses Testing Results

Table 15. Hypotheses Testing Results

Hypothesis	From	To	T-Statistic	P Value	Desc.
H1	PT	TSQ	0.582	**0.561**	Rejected
H2	PT	COOP	2.123	**0.034**	Accepted
H3	CC	TSQ	11.113	**p <. 001**	Accepted
H4	CC	COOP	9.146	**p <. 001**	Accepted
H5	COOP	TSQ	5.071	**p <. 001**	Accepted

Overall Model Fit Analysis

Table 16. Overall Model Fit Analysis

	Saturated Model	Estimated Model
SRMR	0.039	0.039
d_ULS	2.567	2.567
d_G	3.868	3.868
Chi-Square	2697.266	2697.266
NFI	0.747	0.747

Discussion

The results of the investigation provide support for three hypotheses. A discussion of each possibility will proceed as follows:

Perceived Threat of Informal Actor has a negative impact on Tourism Service Quality

The First Hypothesis is rejected since the T-Value is less than the standard and the P values are more than 0.05. This outcome implies that the hypothesis was rejected for several reasons. The perceived threat of informal actors might not always impact tourism service quality if the destination effectively manages and regulates informal activities. Strong governance and enforcement of standards can mitigate potential threats, ensuring that informal actors align with professional guidelines. In such cases, tourists may not perceive a significant risk, leading to a positive impact on overall service quality within the tourism industry. These findings contrast with those of Abdalla's (2022) research, which looks at the influence of the perceived threat posed by informal organizations in the tourism industry on the operational performance of established enterprises. According to Abdalla's study, there is an important connection between the perceived danger of informal actors and operational performance.

Perceived Threat of Informal Actor has a negative impact on Coopetition.

Acceptance of the second hypothesis is supported by the fact that both the T-Values and P-Values fall within the expected range and display a positive sign. However, since the hypothesis is negative, the effect is negative as well. Cooperation among businesses, or coopetition, may be adversely affected by the perceived threat posed by informal actors in the tourism sector. A lack of adherence to established norms by informal actors can result in an uneven playing field. This can lead to distrust among legitimate businesses, hindering collaboration and shared efforts to enhance the destination. The existence of unregulated entities has the potential to create a setting in which equitable competition is undermined, thereby hindering the cooperative elements of coopetition and potentially detrimental to the tourism industry's overall competitiveness. However, in the realm of business, most informal actors who engage in coopetition do so with shared objectives. These objectives will serve as a constraint on their detrimental conduct. Despite the negative point being of low significance, the informal actor's shortcomings will be overshadowed by the formal actor's core competencies, resulting in an overall positive score.

Core Competencies has a positive impact on Tourism Service Quality

The Third Hypothesis is Accepted because both T-Values and P-Values are within the normal range and exhibit a positive sign. The corporation is devoting their sales team to staying up to date with the current trend. Having adequate finance also helps to boost employing the right people in the right position where the wage is competitive and there are benefits toward creativity and innovations. Not forgetting to mention there are good career paths for them also securing their future. This finding is also connected with the dimension of TSQ which are mostly focusing on the workforce itself. From the assurance dimension which employee has a good knowledge and from other dimension which said that customer is feel good when the employee is giving them empathy. According to Zaim et al. (2013), they performed a study on the impact of core skills, management competences, and functional (task-related) abilities on individual and organizational performance in Turkey's service sector. Therefore, this finding is related to the theory that the abilities of individuals can boost performance in the service sector.

Core Competencies has a positive impact on Coopetition.

The fourth hypothesis is accepted since both T-values and P-values are within the normal range and exhibit a positive sign. The company's strong work forces and financial capabilities provide them with a particular edge when bargaining with unofficial players. Furthermore, financial security and stability greatly improve labor productivity, giving them freedom to innovate and maximize their creativity to get more customers in the crowded market. These variables not only make informal players feel more threatened, but also provide formal actors with more influence over employment chances. Bouncken and Kraus (2013), Hannah and Eisenhardt (2018), and Kraus et al. (2018) all reach similar conclusions. Collaborating may help businesses and organizations understand competitive environments better and obtain access to resources, skills, and opportunities that would be impossible to achieve on their own.

Coopetition has a positive impact on Tourism Service Quality

The Fifth Hypothesis is Accepted because both T-Values and P-Values are within the normal range and exhibit a positive sign. All business actors work hard to maintain the company's image, maintaining a trusting climate among all parties involved. Activities may be maximized without increasing the number of formal workers by carefully pooling resources. The produced synergy considers all entities as a single entity, erasing the difference between formal and informal agents. They are sharing the same market, the same resources and the same knowledge. All the work forces can be maximized to earn the customer trust. This statement backs Wu (2022). One who works in a similar market, has a high degree of resource size and type similarity, has a strong trust attitude, and has a win-win mindset is the prestige participant. Establishing coopetition is beneficial because it reduces opportunistic behavior; other positive criteria include strategic fit, the willingness to share knowledge and invest resources, and the ability to communicate fluently. There is a huge effect on non-financial performance when coopetition is used.

Research Contributions

This study adds to the body of knowledge by identifying a relationship between perceived danger of informal actors, core competencies, and competition for tourism service quality. The findings of this study fill in the gaps, provide validity to past research findings, and provide important insights for corporations and other organizations.

Theoretical Contributions

Our theoretical understanding is much improved by this research, which links informal actor perceived threats, formal actor core skills, and tourist service quality competition. The story is divided into two sectors: core capabilities, a Formal Actor Internal Factor, and the expected threat of informal actors, an external factor. The study seeks to relate these two crucial aspects and their influence on tourist service quality. The research examines how formal players' internal strengths combine with informal actors' external difficulties to understand industrial dynamics. This deliberate split shows how core skills, as essential parts of a company, may mitigate and overcome external challenges.

The research also emphasizes the importance of informal actors, even when they work alongside formal players. Recognizing them as fundamental components of society underlines their effect on community dynamics, lifting the conversation beyond conventional viewpoints and underlining actor interconnection. This acknowledgement is especially important when considering the study's social and community

ramifications. The research also emphasizes core competencies as powerful aspects inside organizations, supporting the premise that a well-defined and strategically deployed set of abilities may protect against risks. This insight enhances the study's theoretical underpinnings and corresponds with business ideas that a corporation's internal strengths determine its resilience and capacity to overcome adversities.

This research sheds light on the complex linkages between informal actor threats, formal actor core skills, and tourism service quality competitiveness. The research enhances our knowledge of industrial dynamics and provides the framework for future theoretical advances by analysing these features.

Managerial/Practical Implications

Every industry participant has their own set of weaknesses and strengths. In theory, everything is ideal, but in practice, there are too many unknown factors that might derail our operation. A corporation may flourish together to achieve new heights by fulfilling each other's deficiencies. Informal players are the most nimble and adaptable individuals since they must be fast and versatile in order to get the consumer. Because of the office's bureaucracy, official players are often slower. They can do more if they work together.

In order to explore the relationship between these two factors, the study will use a quantitative method approach. First, quantitative data will be collected through surveys distributed to formal actors in the tourist industry. This data will help to identify patterns and correlations between perceived threat and core competencies. Ultimately, the goal of this study is to provide insights that can inform policies and strategies aimed at improving tourist service quality and promoting collaboration between formal and informal actors in the industry.

CONCLUSION

The overall Tourism Service Quality (TSQ) relies heavily on coopetition, characterized by the interaction and coexistence of informal and formal players who contribute through their unique human resource capabilities. Informal actors often exit the TSQ landscape due to their inability to compete with formal players for customers or because the rewards are insufficient to justify their continued participation. High competition and lack of interest may also drive informal players away. However, when informal and formal players collaborate through mutual trust and shared resources, resource utilization and efficiency can improve significantly. With shared resources and target markets, cooperation becomes easier and more productive. Formal players often outperform informal actors due to greater financial resources and skilled workforces, allowing them to invest in forward-thinking strategies such as enhancing service areas or marketing approaches. In contrast, informal actors provide flexibility and engage directly with customers using their street knowledge. To enhance tourism services, organizations must cultivate an environment that fosters collaboration and trust among all players, regardless of their formal or informal status. Encouraging equitable resource distribution, investing in technology, and prioritizing research and development can drive productivity and service quality. Additionally, recognizing the contributions of both formal and informal actors through incentives and fair compensation can bridge the gap between the two groups, fostering a more integrated business ecosystem. By viewing all participants as essential components of the tourism industry, businesses can achieve higher customer satisfaction and ensure long-term success.

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