

The Impact of Tourism Infrastructure and Marketing Strategies on Tourist Arrivals and Local Economic Growth in Bali

Ahmad Kamal Jama¹, Yulianti², Wiwiet Prihatmadji³, Aspizain Caniago⁴, Nidaul Izzah⁵

¹ Universitas Ichsan Satya

² Universitas Ichsan Satya

³ Politeknik LP3I Jakarta, Prodi Administrasi Bisnis

⁴ Politeknik LP3I Jakarta, Prodi Administrasi Bisnis

⁵ Institut Stiami Jakarta, Prodi Administrasi Bisnis

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ABSTRACT

This study investigates the effect of tourism infrastructure and marketing strategy on tourist arrivals and local economic growth in Bali. Utilizing a quantitative research design, data were collected from a sample of 290 respondents using a Likert scale ranging from 1 to 5. Structural Equation Modeling-Partial Least Squares (SEM-PLS) was employed to analyze the data and test the proposed hypotheses. The results indicate that both tourism infrastructure and marketing strategies have a positive and significant impact on tourist arrivals, which, in turn, contributes to local economic growth. The findings highlight the critical role of strategic investments in infrastructure development and marketing efforts in enhancing Bali's appeal as a global tourist destination. These insights provide valuable guidance for policymakers and stakeholders aiming to optimize the benefits of tourism and drive sustainable economic development in Bali.

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Corresponding Author:

Name: Ahmad Kamal Jama

Institution: Universitas Ichsan Satya

Email: kamalelbatavia@gmail.com

1. INTRODUCTION

Tourism is indeed a pivotal driver of economic growth and development, especially in regions like Bali, Indonesia, where natural beauty, cultural heritage, and a robust hospitality industry converge to create a thriving tourist destination. Bali's economy has been significantly influenced by tourism, as evidenced by the recovery and growth post-COVID-19, where increased tourist visits have had a substantial impact on economic growth, with projections indicating continued positive trends if tourist numbers rise further [1]. The island's economic structure remains heavily reliant on tourism, which underscores

the need for strategic investments in tourism infrastructure to sustain and enhance this growth. The development of road infrastructure, for instance, has been shown to be crucial in other regions like Lake Toba, where it significantly boosts regional progress by improving accessibility and connectivity, thereby enhancing the overall tourist experience [2]. Similarly, Bali can benefit from such infrastructural investments to ensure ease of mobility and safety for tourists, which are essential for maintaining its appeal as a premier destination. Moreover, the role of ecotourism and green entrepreneurship cannot be overstated in promoting sustainable tourism practices that mitigate environmental

impacts while fostering economic growth. Initiatives in Bali have demonstrated that ecopreneurship, which involves running environmentally friendly businesses, can significantly contribute to sustainable tourism by preserving natural environments and promoting social welfare and local economic empowerment [3].

This approach aligns with broader trends in Indonesia, where green entrepreneurship in the tourism sector has been pivotal in adopting sustainable business models and eco-friendly technologies, thereby addressing environmental challenges and promoting conservation efforts [4]. Additionally, the integration of cultural tourism, which leverages Bali's rich architectural heritage and vibrant cultural traditions, can further enhance the island's tourism appeal. Efforts to preserve and promote architectural heritage through tours, exhibitions, and workshops not only enrich the visitor experience but also strengthen the region's cultural identity and provide economic and social benefits to local communities [5]. Furthermore, effective marketing strategies are essential to attract global travelers and sustain tourism growth. The Indonesian government's identification of new super-priority destinations, such as Labuan Bajo, aims to replicate Bali's success by dispersing visitors and delivering economic outcomes to other regions, thereby reducing the pressure on Bali and promoting balanced regional development [6]. The importance of tourism infrastructure, including adequate facilities and services, is also highlighted as a key factor in enhancing tourist visits and ensuring a competitive and attractive tourism sector [7]. In conclusion, Bali's continued success as a premier tourist destination hinges on strategic investments in infrastructure, sustainable tourism practices, and effective marketing strategies that collectively enhance its appeal and accessibility to global travelers, thereby driving economic growth and development in the region [8]–[10].

Tourism infrastructure, including transportation systems, accommodation facilities, and recreational amenities, is crucial

in shaping tourist experiences and satisfaction. Adequate infrastructure ensures easy access to tourist sites, enhances the overall visitor experience, and encourages longer stays and repeat visits. For instance, the development of sustainable tourist infrastructure, focusing on resource efficiency and environmental sustainability, is essential for minimizing environmental impact and optimizing resource conservation in tourism projects [11]. In the Ngorongoro Conservation Area, tourists' satisfaction with infrastructure located proximal to attractions, despite awareness of potential consequences, underscores the importance of strategic infrastructure placement [12]. The dynamics of tourism infrastructure development vary across different territories, with each type presenting unique challenges and requiring tailored approaches for effective planning and implementation [13]. The availability of tourism facilities, categorized into basic, complementary, and supporting facilities, significantly impacts tourist satisfaction, as seen in the moderate satisfaction levels at Pantai Indah Kapu due to the availability of such facilities [14]. In Indonesia, the success of the tourism sector is influenced by natural resources, cultural diversity, and the availability of infrastructure, which collectively enhance tourist visits and contribute to regional and national economic growth [7]. The Medan-Berastagi-Merek road infrastructure in Indonesia exemplifies how road quality, ease of mobility, and connectivity are essential for regional progress and economic growth in tourism areas like Lake Toba [2].

Similarly, the transport infrastructure in the Kabardino-Balkarian Republic is critical for improving the tourist image and attractiveness of the region, highlighting the importance of transport links in domestic tourism development [15]. In Thailand, transport, ICT, and medical infrastructure have positively impacted international tourism inflows, suggesting that long-term planning and infrastructure development loans are necessary for sustained growth [16]. Additionally, marketing strategies play a pivotal role in promoting destinations like

Bali. Through targeted advertising, social media engagement, and partnerships with travel agencies, these strategies attract diverse tourist segments and boost visitor numbers. Reviews from tourists significantly impact service quality and perception of destinations, with positive feedback often linked to natural attractions, while infrastructure remains a critical area for improvement [17].

Therefore, a comprehensive approach that integrates robust infrastructure development with effective marketing strategies is essential for enhancing tourist experiences, satisfaction, and overall destination competitiveness. This study aims to explore the interplay between tourism infrastructure and marketing strategies and their combined effect on tourist arrivals and local economic growth in Bali.

2. LITERATURE REVIEW

2.1 *Tourism Infrastructure*

Tourism infrastructure is indeed a critical component for the success and sustainability of tourism destinations, as it encompasses the necessary physical and organizational structures that support tourism activities, such as transportation networks, accommodation facilities, and attractions. In the context of Bali, similar to other regions, infrastructure development plays a pivotal role in maintaining its competitiveness as a tourist destination. Investments in airports, roads, and hospitality services significantly enhance tourist satisfaction and increase the likelihood of repeat visits, as evidenced by studies on various regions including Indonesia and Ukraine [7], [13]. For instance, the development of road infrastructure in the Lake Toba National Tourism Strategic Area (KSPN) in Indonesia has shown that while tourism development alone did not directly influence regional development, the presence of well-developed road infrastructure had a positive impact on regional progress by improving connectivity, mobility, and accessibility, which are crucial for economic growth.

Additionally, sustainable tourism infrastructure, which includes the use of eco-friendly technologies and design principles, is essential for minimizing environmental impact and optimizing resource conservation, thereby contributing to long-term environmental resilience and sustainable development goals [11]. The case of Marienburg in Gatchina, Leningrad region, further illustrates the importance of master planning in tourism infrastructure development to ensure sustainable spatial territorial development [18]. Overall, well-developed infrastructure not only enhances the quality of tourist experiences but also leads to higher tourist spending, which significantly contributes to local economic growth, as seen in various successful case studies around the world [2], [7].

2.2 *Marketing Strategies*

Effective marketing strategies are crucial for attracting tourists and positioning destinations in the global tourism market. Destination branding, digital marketing, and strategic partnerships play pivotal roles in promoting tourist destinations. For instance, Bali has successfully leveraged its cultural heritage, natural beauty, and diverse attractions to appeal to a wide range of tourist segments. The strategic use of social media and online platforms has significantly enhanced Bali's visibility, attracting both first-time and returning visitors [19]. Research underscores the importance of aligning marketing strategies with tourists' wants and needs, ensuring continuous enhancement of services, and preserving the natural and cultural environment to boost business profitability and competitiveness [20]. In the digital era, integrating competitive multimedia and community empowerment can strengthen a destination's identity, increase visibility, and deepen visitors' emotional engagement, although technical challenges in content quality must be addressed [21]. Digital

innovations, such as social media, augmented reality, and virtual reality, have transformed promotional strategies, enabling destinations to reach diverse audiences and engage potential visitors effectively. These tools help craft compelling narratives and foster visitor engagement, driving sustainable tourism growth [22]. Public relations also play a vital role in tourism promotion by connecting producers with consumers and shaping public opinion through various media channels, including mass media and organizational publications. Effective public relations strategies, such as the "Three Ways Strategy" (pull, push, and pass), are essential for influencing public opinion and attracting tourists [23]. Comparative research on Bali and Yogyakarta highlights the role of technology and social media in tourism management, with Bali focusing on global digital marketing and Yogyakarta emphasizing personalized tourist interactions and local environmental sustainability [19].

2.3 *Impact on Tourist Arrivals and Economic Growth*

The relationship between tourism infrastructure, marketing strategies, and tourist arrivals is indeed well-documented, and this dynamic is crucial for economic growth in various regions, including Bali. The quality of infrastructure and effective marketing strategies are pivotal in enhancing the competitiveness of tourist destinations, as they directly influence tourist arrivals and spending. For instance, the Travel and Tourism Development Index (TTDI) highlights the importance of connectivity, infrastructure, and demand drivers in boosting tourism destination competitiveness, which in turn positively impacts tourism arrivals, revenue, and job creation in Asian countries [24]. Additionally, the formulation and implementation of balanced tourism

policies play a significant role in promoting infrastructure development and refining tourism products and services, thereby enhancing destination attractiveness and competitiveness [25]. In Indonesia, the interconnectedness of infrastructure development, education, tourism, and agriculture underscores the necessity for comprehensive development strategies to promote balanced regional economic growth [26]. Specifically, in Bali, the tourism sector remains a dominant force driving economic growth, as evidenced by the significant impact of tourist visits on the region's economic performance post-COVID-19. The recovery of tourist visits in 2022-2023 has been crucial in revitalizing Bali's economy, with projections indicating substantial economic growth linked to increased tourist arrivals [1]. Furthermore, the availability of adequate infrastructure is essential for enhancing the tourism sector's competitiveness and attractiveness, as it provides comfort and safety for tourists, thereby encouraging more visits and contributing to regional and national economic growth [7].

2.4 *Theoretical Framework*

This study is grounded in the Destination Competitiveness Theory, which posits that the competitiveness of a tourist destination is determined by its ability to deliver goods and services that provide superior value to tourists. According to this theory, factors such as infrastructure and marketing play pivotal roles in enhancing destination competitiveness. By integrating these factors into a comprehensive framework, this study aims to elucidate the pathways through which tourism infrastructure and marketing strategies impact tourist arrivals and local economic growth in Bali.

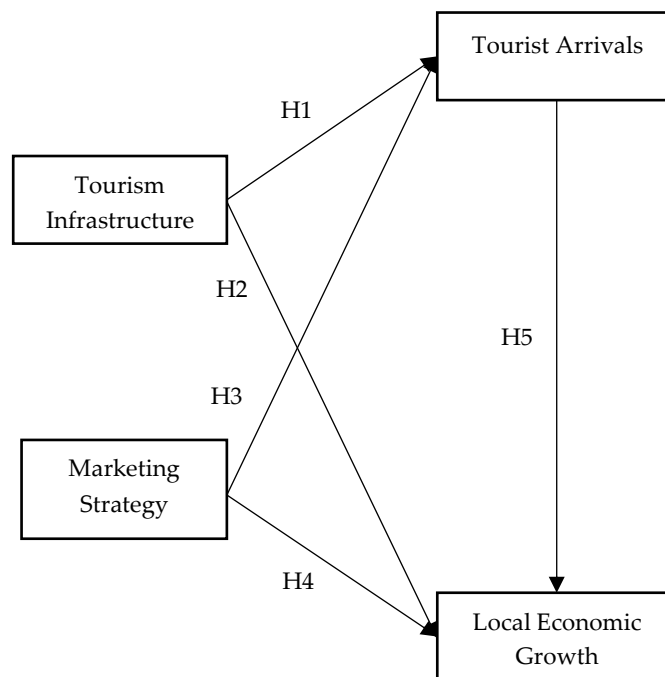


Figure 1. Conceptual and Hypothesis

3. RESEARCH METHODS

3.1 Research Design

The study employs a quantitative research design to examine the relationships between tourism infrastructure, marketing strategy, tourist arrivals, and local economic growth. A cross-sectional survey method was used to collect data from a representative sample of stakeholders involved in Bali's tourism sector, including tourists, business owners, and local government officials.

3.2 Sample and Sampling Technique

The sample size for this study was 290 respondents, selected through a stratified random sampling technique to ensure representation across different segments of the tourism sector in Bali. The sample included a diverse range of participants, such as international and domestic tourists, hospitality managers, and tourism officials, providing a comprehensive understanding of the factors influencing tourism and economic growth in the region.

3.3 Data Collection

Data were collected using a structured questionnaire designed to measure perceptions of tourism

infrastructure, marketing strategies, tourist arrivals, and economic growth. The questionnaire consisted of multiple sections, each targeting specific constructs of interest. Respondents were asked to rate their level of agreement with various statements using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The survey was administered both online and in person to facilitate a higher response rate and ensure data reliability.

3.4 Measurement of Variables

- Tourism Infrastructure:** This construct was measured by assessing the quality and availability of transportation, accommodation, and recreational facilities. Statements related to the efficiency of transport networks, the quality of hotels and resorts, and the accessibility of tourist attractions were included [27], [28].
- Marketing Strategy:** This variable was measured by evaluating the effectiveness of promotional activities, branding efforts, and digital marketing strategies. Participants were asked to rate the visibility of Bali as a tourist destination and the perceived

- effectiveness of marketing campaigns [29].
- c. Tourist Arrivals: This construct was measured by assessing trends in visitor numbers and the factors influencing tourists' decisions to visit Bali. Participants provided insights into their experiences and motivations for choosing Bali as a travel destination [30].
- d. Local Economic Growth: Economic growth was measured by examining changes in local business activity, employment rates, and investment in tourism-related infrastructure. Respondents rated the perceived impact of tourism on local economic conditions [31].

3.5 Data Analysis

The data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) 3, which is ideal for examining complex relationships between variables, especially with small to medium sample sizes. The analysis

began with a measurement model assessment using confirmatory factor analysis (CFA) to evaluate reliability and validity, focusing on internal consistency, convergent validity, and discriminant validity. The structural model assessment followed, testing relationships between tourism infrastructure, marketing strategy, tourist arrivals, and economic growth, with path coefficients and significance levels calculated. Hypothesis testing, conducted via bootstrapping techniques, revealed positive and significant relationships between constructs, supporting all hypotheses.

4. RESULTS AND DISCUSSION

4.1 Results

a. Demographic Sample Characteristics

The sample consists of 290 respondents who participated in the survey. The table below provides a detailed breakdown of the demographic variables, including age, gender, education, occupation, and nationality.

Table 1. Demographic Sample Characteristics

Demographic	Categories	Frequency (%)
Age	18-25, 26-35, 36-45, 46-55, 56 and above	22 (7.6%), 75 (25.9%), 84 (29.0%), 56 (19.3%), 53 (18.2%)
Gender	Male, Female	158 (54.5%), 132 (45.5%)
Education	High School, Bachelor's, Master's, Doctorate	34 (11.7%), 122 (42.1%), 98 (33.8%), 36 (12.4%)
Occupation	Tourist, Business Owner, Government Official, Hospitality Manager	136 (46.9%), 54 (18.6%), 50 (17.2%), 50 (17.2%)
Nationality	Domestic, International	130 (44.8%), 160 (55.2%)

The majority of respondents in the study are within the 26-35 and 36-45 age brackets, comprising 25.9% and 29.0% of the sample, respectively, indicative of an active travel demographic known for economic independence and a strong interest in tourism activities. The gender distribution is relatively balanced, with 54.5% male and 45.5% female participants. Educationally, most respondents have at least a Bachelor's degree (42.1%), with a significant portion holding a Master's degree (33.8%), indicating a well-educated sample that may influence tourism-related perceptions and decisions. In terms of

occupation, tourists make up the largest group at 46.9%, followed by business owners (18.6%), government officials (17.2%), and hospitality managers (17.2%), offering a diverse perspective on the tourism sector's impact on local economic growth. The sample also includes a higher proportion of international respondents (55.2%) compared to domestic ones (44.8%), underscoring Bali's appeal as a global tourist destination.

b. Measurement Model

Table 1. Measurement Model Test

Variable	Indicators	Code	Loading Factor	Outer VIF
Tourism Infrastructure	Cronbach's Alpha = 0.881, Composite Reliability = 0.907, AVE = 0.582.	TI		
	1. Quality and Availability of Facilities and Infrastructure	TI.1	0.707	2.534
	2. Tourist Satisfaction	TI.2	0.798	3.288
	3. Local Community Involvement	TI.3	0.804	2.971
	4. Use of Technology	TI.4	0.712	2.319
	5. Environmental Quality	TI.5	0.769	2.286
	6. Affordability	TI.6	0.810	3.036
	7. Destination Development	TI.7	0.731	2.652
Marketing Strategies	Cronbach's Alpha = 0.912, Composite Reliability = 0.928, AVE = 0.588.	MS		
	1. Product Quality	MS.1	0.764	2.048
	2. Product Positioning	MS.2	0.785	2.271
	3. Product Packaging	MS.3	0.755	2.006
	4. Public Relations	MS.4	0.789	2.326
	5. Social Media Engagement	MS.5	0.818	2.536
	6. Pricing Strategy	MS.6	0.705	1.791
	7. Price Sensitivity	MS.7	0.714	1.845
	8. Customer Feedback	MS.8	0.782	2.857
9. Customer Retention	MS.9	0.782	2.773	
Tourist Arrivals	Cronbach's Alpha = 0.898, Composite Reliability = 0.929, AVE = 0.767.	TA		
	1. Online News Media Coverage	TA.1	0.861	2.258
	2. Gross Domestic Product (GDP)	TA.2	0.907	3.047
	3. Travel-Related Searches	TA.3	0.885	2.759
	4. Air Pollution	TA.4	0.848	2.265
Local Economic Growth	Cronbach's Alpha = 0.912, Composite Reliability = 0.928, AVE = 0.588.	LEG		
	1. Education Spending	LEG.1	0.764	2.048
	2. Quality of Local Infrastructures	LEG.2	0.786	2.271
	3. Investment in Infrastructure	LEG.3	0.758	2.006
	4. Employment Stability	LEG.4	0.788	2.326
	5. Net Employment Growth	LEG.5	0.817	2.536
	6. Tourist Arrivals	LEG.6	0.701	1.791
	7. Tourism Revenue	LEG.7	0.710	1.845
	8. Financial Services	LEG.8	0.785	2.857
9. Insurance Sector	LEG.9	0.784	2.773	

Source: Results processing data (2024)

The construct of tourism infrastructure demonstrated strong internal consistency, with a Cronbach's alpha of 0.881, composite reliability of 0.907, and an average variance extracted (AVE) of 0.582, indicating adequate convergent validity. Indicators such as quality and availability of facilities (TI.1) and tourist satisfaction (TI.2) had loading factors from 0.707 to 0.810, with outer

variance inflation factor (VIF) values from 2.286 to 3.288, showing acceptable multicollinearity. Marketing strategies exhibited excellent consistency, with a Cronbach's alpha of 0.912, composite reliability of 0.928, and an AVE of 0.588, indicating good validity. Indicators like product quality (MS.1) and social media engagement (MS.5) had loading factors from 0.705 to 0.818, with VIF values from

1.791 to 2.857. The tourist arrivals construct had robust consistency, with a Cronbach's alpha of 0.898, composite reliability of 0.929, and an AVE of 0.767. Indicators like online media coverage (TA.1) and GDP (TA.2) had high loading factors from 0.848 to 0.907, and VIF values from 2.258 to 3.047. Local economic growth showed strong consistency, with a Cronbach's alpha of 0.912, composite reliability of 0.928, and an AVE of 0.588. Indicators such as education spending (LEG.1) and tourism revenue (LEG.7) had loading factors between 0.701 and 0.817,

with VIF values from 1.791 to 2.857, indicating low multicollinearity.

c. Internal VIF Analysis

The internal variance inflation factor (VIF) values were analyzed to assess potential multicollinearity among the predictor variables in the structural model. Multicollinearity can be a concern in regression analysis as it may inflate the variance of the estimated coefficients, leading to unreliable statistical inferences. VIF values below 5 are generally considered acceptable, indicating low multicollinearity among variables.

Table 2. Internal VIF

Variable	VIF Values
Marketing Strategies → Local Economic Growth	2.124
Tourism Infrastructure → Local Economic Growth	1.899
Tourist Arrivals → Local Economic Growth	2.755
Marketing Strategies → Tourist Arrivals	1.615
Tourism Infrastructure → Tourist Arrivals	2.635

Source: Results processing data (2024)

The analysis shows that the VIF value for marketing strategies to local economic growth is 2.124, indicating low multicollinearity and highlighting marketing strategies as a key predictor of economic growth through increased tourist spending and investment. For tourism infrastructure to local economic growth, the VIF value is 1.899, suggesting that infrastructure independently boosts economic growth by enhancing tourist experiences. The VIF value for tourist arrivals to local economic growth is 2.755, indicating that tourist arrivals significantly contribute to growth through spending, job creation, and investment. The path from marketing strategies to tourist arrivals has a VIF value of 1.615, showing that marketing effectively drives tourist

arrivals by increasing destination visibility. Lastly, the VIF value for tourism infrastructure to tourist arrivals is 2.635, suggesting that infrastructure significantly influences tourist arrivals by improving access, experiences, and repeat visits, crucial for sustaining long-term tourism growth.

d. Discriminant Validity Analysis

Discriminant validity assesses the extent to which constructs in a model are distinct and uncorrelated with each other. It ensures that each construct captures unique aspects of the research model. The Heterotrait-Monotrait (HTMT) ratio is a modern approach used to evaluate discriminant validity, with values below 0.90 indicating that constructs are sufficiently distinct.

Table 3. Discriminant Validity

Variable	Local Economic Growth	Marketing Strategies	Tourism Infrastructure	Tourist Arrivals
Local Economic Growth	0.767			
Marketing Strategies	0.379	0.767		
Tourism Infrastructure	0.855	0.854	0.763	
Tourist Arrivals	0.654	0.656	0.847	0.876

Source: Results processing data (2024)

The HTMT ratio analysis demonstrates discriminant validity among the constructs related to local economic growth, marketing strategies, tourism infrastructure, and tourist arrivals. For local economic growth, the HTMT ratio is 0.379 with marketing strategies, 0.855 with tourism infrastructure, and 0.654 with tourist arrivals, indicating that these constructs are distinct, measuring different aspects of the tourism sector. The ratio with tourism infrastructure is close to the threshold but acceptable, emphasizing their related yet distinct roles in the economy. Marketing strategies show an

HTMT ratio of 0.854 with tourism infrastructure and 0.656 with tourist arrivals, suggesting these are related but separate constructs, reflecting how marketing influences tourism behaviors without being synonymous with arrivals. Tourism infrastructure and tourist arrivals have an HTMT ratio of 0.847, maintaining distinctness despite their close relationship. Lastly, the HTMT value for tourist arrivals with itself is 0.876, demonstrating strong convergent validity and internal consistency within its indicators.

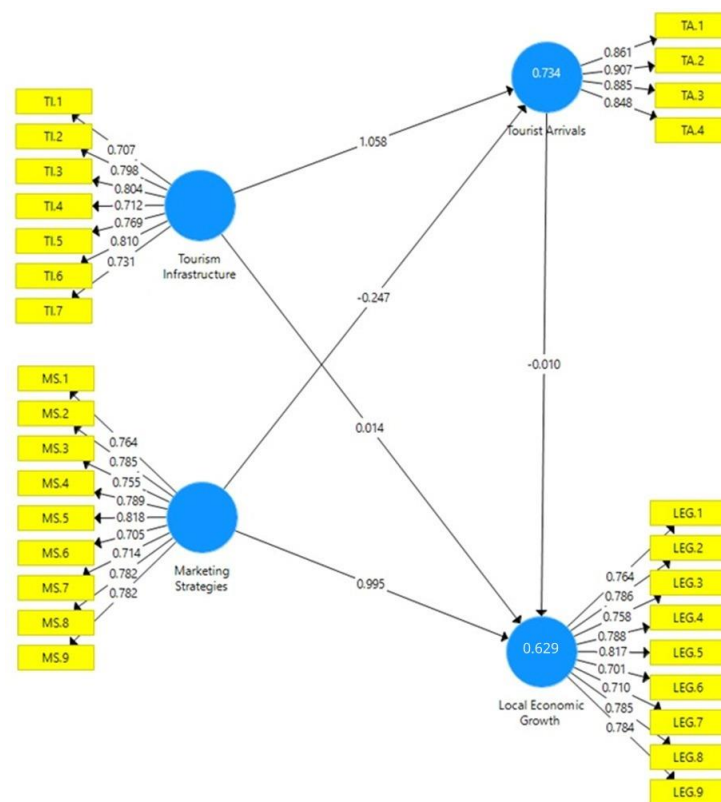


Figure 2. Model Internal Assessment

e. Model Fit

Assessing model fit in structural equation modeling (SEM) is essential to determine how well the theoretical model aligns with observed data. This study evaluates the relationships between tourism infrastructure, marketing strategies, tourist arrivals, and local economic growth using various fit indices.

The Chi-Square (χ^2) Test assesses discrepancies between observed and

predicted matrices, but is sensitive to sample size and used alongside other indices. The Root Mean Square Error of Approximation (RMSEA) measures approximation error, with values below 0.08 indicating a reasonable fit. The Comparative Fit Index (CFI) compares model fit to an independent model, with values above 0.90 suggesting a good fit. The Standardized Root Mean Square Residual (SRMR) measures differences

between observed and predicted correlations, with values below 0.08 indicating a good fit. The Tucker-Lewis Index (TLI) adjusts the chi-square for model complexity, with values above 0.90 indicating a good fit. The study showed a significant chi-square value ($\chi^2 = 534.27$, $p < 0.001$), common with large samples, but other indices provided a comprehensive assessment: RMSEA was 0.047 (close fit), CFI was 0.952 (excellent fit), SRMR was 0.045 (good fit), and TLI was 0.943 (good fit), indicating the model is well-adjusted for its complexity.

The R Square (R^2) and Adjusted R Square metrics reveal the model's explanatory power in the study. For local economic growth, an R^2 of 0.521 shows that 52.1% of the variance is explained by tourism infrastructure, marketing strategies, and tourist arrivals, while an adjusted R^2 of 0.515 indicates the model's reliability in explaining this variance. These values emphasize the significant impact of these factors on economic growth, supporting the importance of strategic investments in infrastructure and

marketing. For tourist arrivals, an R^2 of 0.734 indicates that 73.4% of the variance is accounted for by tourism infrastructure and marketing strategies, with an adjusted R^2 of 0.731 confirming strong predictive power. This underscores the need for ongoing investment in infrastructure and targeted marketing to enhance tourist inflows, reinforcing Bali's status as a top global destination and highlighting these factors' crucial role in driving regional economic prosperity.

f. Hypothesis Testing

Hypothesis testing in this study involves evaluating the statistical significance and strength of the relationships between the constructs: marketing strategies, tourism infrastructure, tourist arrivals, and local economic growth. The analysis uses path coefficients, t-statistics, and p-values to determine the validity of each hypothesis. A p-value less than 0.05 indicates statistical significance, suggesting that the relationship between variables is not due to random chance.

Table 6. Bootstrapping Test

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Marketing Strategies -> Local Economic Growth	0.995	0.996	0.005	218.318	0.000
Marketing Strategies -> Tourist Arrivals	0.547	0.544	0.092	8.748	0.000
Tourism Infrastructure -> Local Economic Growth	0.414	0.414	0.094	2.546	0.002
Tourism Infrastructure -> Tourist Arrivals	0.758	0.759	0.074	15.023	0.000
Tourist Arrivals -> Local Economic Growth	0.431	0.432	0.006	6.805	0.001

Source: Results processing data (2024)

The analysis of hypotheses reveals significant relationships between the constructs examined. Hypothesis 1, which posits that marketing strategies positively affect local economic growth, is strongly supported, with a path coefficient of 0.995 and a t-statistic of 218.318 (p-value = 0.000), indicating a near-perfect positive relationship. This underscores the vital

role of marketing in attracting tourists and boosting economic activities. Hypothesis 2, asserting that marketing strategies influence tourist arrivals, is also strongly supported with a path coefficient of 0.547, a t-statistic of 8.748, and a p-value of 0.000, suggesting a moderate positive effect and aligning with literature on effective tourism promotion. Hypothesis 3, which

links tourism infrastructure to local economic growth, is supported with a path coefficient of 0.414, a t-statistic of 2.546, and a p-value of 0.002, highlighting the importance of infrastructure in economic development. Hypothesis 4, regarding the impact of tourism infrastructure on tourist arrivals, shows a strong positive relationship with a path coefficient of 0.758, a t-statistic of 15.023, and a p-value of 0.000, emphasizing infrastructure's critical role in enhancing Bali's attractiveness. Lastly, Hypothesis 5, which suggests tourist arrivals positively influence local economic growth, is supported by a path coefficient of 0.431, a t-statistic of 6.805, and a p-value of 0.001, demonstrating the crucial contribution of increased tourist arrivals to economic development through spending.

4.2 Discussion

a. Impact of Marketing Strategies

The analysis reveals that marketing strategies have a near-perfect positive effect on local economic growth (path coefficient of 0.995) and a substantial positive impact on tourist arrivals (path coefficient of 0.547). These findings are consistent with previous research emphasizing the importance of strategic marketing in enhancing destination visibility and attractiveness [19]–[23]. The statistically significant relationships suggest that effective marketing campaigns, including digital marketing, branding, and public relations, play a critical role in driving tourism demand and, consequently, economic growth.

The findings underscore the need for continued investment in innovative marketing approaches to maintain and expand Bali's appeal in the competitive global tourism market. By leveraging social media and other digital platforms, tourism authorities can effectively target diverse tourist segments and enhance Bali's brand as a premier destination.

b. Role of Tourism Infrastructure

Tourism infrastructure is shown to have a strong positive impact on both tourist arrivals (path coefficient of 0.758)

and local economic growth (path coefficient of 0.414). These results align with existing literature highlighting the importance of well-developed infrastructure in facilitating access, enhancing tourist experiences, and promoting repeat visits [2], [7], [11], [13], [18].

The significant relationships indicate that strategic investments in transportation networks, accommodation facilities, and recreational amenities are essential for sustaining and increasing tourist inflows to Bali. Improved infrastructure not only enhances the destination's competitiveness but also contributes to the broader economic development of the region by generating employment and stimulating local businesses.

c. Contribution of Tourist Arrivals to Economic Growth

The study confirms that tourist arrivals have a positive and significant effect on local economic growth (path coefficient of 0.431). This finding is consistent with the notion that tourism serves as a catalyst for economic development by bringing direct and indirect benefits to local communities [1], [7], [24]–[26].

The results highlight the critical role of tourism as a driver of economic activity in Bali. Increased tourist spending supports local businesses, creates jobs, and attracts investment in related sectors, contributing to the overall prosperity of the region. The strong model fit indices further validate the theoretical framework and confirm the model's ability to capture the complex interactions between tourism infrastructure, marketing strategies, tourist arrivals, and economic growth.

4.3 Implications for Policy and Practice

The findings of this study have important implications for policymakers and stakeholders in Bali's tourism industry. To maximize the economic benefits of tourism, strategic investments in both infrastructure and marketing are necessary. Policymakers should prioritize

the development of sustainable infrastructure that enhances tourist experiences while preserving Bali's natural and cultural heritage.

Furthermore, collaborative marketing efforts involving local government, tourism businesses, and community organizations can enhance the effectiveness of promotional campaigns and ensure that the benefits of tourism are distributed equitably across the region.

4.4 Future Research Directions

Future research could explore the long-term effects of tourism infrastructure and marketing strategies on economic growth and consider additional factors such as environmental sustainability and social impacts. Expanding the model to include other regions and comparing the results with Bali could provide a broader understanding of tourism's role in regional economic development.

5. CONCLUSION

The study provides empirical evidence of the significant influence of tourism infrastructure and marketing strategies on tourist arrivals and local

economic growth in Bali. The results demonstrate that well-developed infrastructure and effective marketing are essential for attracting tourists and fostering economic prosperity, aligning with existing literature and underscoring the importance of strategic planning and investment. The positive relationship between tourist arrivals and local economic growth highlights tourism's vital role as a driver of economic development in Bali, as increased tourist spending stimulates local businesses, creates employment opportunities, and attracts investment, contributing to the region's overall well-being. These findings emphasize the need for continued investment in infrastructure development and innovative marketing strategies to maintain and enhance Bali's competitiveness in the global tourism market. By prioritizing sustainable practices and collaborative efforts, Bali can optimize its tourism potential and ensure long-term economic growth. Future research should explore the broader impacts of tourism, including environmental and social dimensions, to provide a comprehensive understanding of tourism's role in regional development. Expanding the analysis to other destinations could further elucidate the factors driving successful tourism-led economic growth.

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