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Research article

From local identity to sustainable impact: The mediating role of co-branding integration in tourism destinations

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ABSTRACT

Sustainable tourism is increasingly assessed through the triple bottom line (TBL) perspective; however, many destinations struggle to translate authentic local products and stakeholder resources into clear sustainability perceptions among tourists. To address this issue, this study develops and tests an ecosystem-based model grounded in service-dominant logic and stakeholder theory to explain how local product authenticity, destination attractiveness, and institutional support influence perceived sustainable tourism through co-branding integration. Data were collected from 456 domestic tourists with experience interacting with local products and analysed using PLS-SEM. The findings indicate that local product authenticity, destination attractiveness, and institutional support significantly enhance co-branding integration, while destination attractiveness and institutional support also directly strengthen perceived sustainable tourism. Co-branding integration emerges as the strongest determinant of sustainability perceptions and fully mediates the effects of all three antecedents. In contrast, local product authenticity does not directly influence sustainability perceptions without branding integration. These results extend sustainable destination branding theory by demonstrating that TBL-based sustainability meanings are co-created through integrated co-branding ecosystems rather than isolated destination attributes. From a practical perspective, this study underscores the importance of coordinated destination–local product co-branding, supported by government facilitation and stakeholder alignment, to embed authentic local products within sustainability-oriented destination narratives, particularly in emerging tourism markets.

KEYWORDS

Co-branding integration; local product authenticity; destination attractiveness; institutional support; sustainable tourism

Introduction

Sustainable tourism has become a central agenda in destination development because destinations are expected to generate economic value while safeguarding socio-cultural continuity and ecological integrity (Apak & Gürbüz, 2023; Laesser et al., 2025). Consistent with the Triple Bottom Line (TBL) (Elkington, 2004), sustainable tourism is increasingly evaluated through the balance of economic viability, socio-cultural well-being, and environmental responsibility, which together shape tourists' overall sustainability perceptions (Aransyah et al., 2025; Lindell et al., 2022). At the same time, tourists increasingly seek experiences perceived as authentic and place-embedded; making cultural heritage, local identity, and everyday practices salient elements of destination value creation (Rickly et al., 2025). This shift positions authentic local products not merely as tourism add-ons, but as meaningful cultural resources that can reinforce place identity and shape tourists' post-visit behaviors. However, many destinations still market

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attractions and local products separately, resulting in fragmented brand meanings and limiting the ability of local products to contribute to sustainability outcomes at the destination level (Koumara-Tsitsou & Karachalis, 2021; Rickly et al., 2025). In destination marketing research, three streams explain why sustainability perceptions depend on more than isolated destination attributes. First, destination management studies emphasise that sustainable destination development requires integrated governance and coordinated market positioning among multiple actors, especially in contexts where resource alignment is complex (Laesser et al., 2025). Second, authenticity research shows that tourists' sustainability evaluations are intertwined with their experience of cultural continuity and the meaningfulness of local offerings (Rickly et al., 2025). Third, evidence from local-product tourism (e.g., crafts and gastronomy) indicates that engaging with authentic local products can enhance perceived economic, socio-cultural, and environmental sustainability (Koumara-Tsitsou & Karachalis, 2021; Rickly et al., 2025), aligning directly with the three TBL pillars (Aransyah et al., 2025; Elkington, 2004; Lindell et al., 2022). Despite these insights, prior studies often examine local product authenticity, destination attractiveness, and institutional support separately, offering limited explanation of how these resources are integrated into a coherent branding mechanism that produces sustainable tourism perceptions.

Co-branding integration between destinations and authentic local products provides a promising pathway to bridge this gap. Co-branding refers to strategic brand alignment in which destination meanings are jointly communicated with partner brands, enabling shared symbols, narratives, and value propositions to strengthen overall destination identity (Liu et al., 2021; Morgan et al., 2021). In tourism ecosystems, co-branding can allow products to function as brand touchpoints that reinforce place identity before, during, and after travel, thereby connecting product meanings with destination sustainability narratives (Morgan et al., 2021). However, despite growing interest in sustainable destination branding, the literature still shows three critical gaps. First, studies on authentic local products and sustainability typically focus on their direct effects on tourist outcomes without explaining the mechanism through which local product resources become part of an integrated destination sustainability narrative (Koumara-Tsitsou & Karachalis, 2021; Rickly et al., 2025). Second, destination attractiveness and institutional/government support are widely recognized as drivers of sustainable tourism, yet they are usually examined in parallel streams rather than as joint ecosystem resources that must be aligned through branding integration (Laesser et al., 2025). Third, while co-branding is acknowledged as a strategic tool in destination contexts (Liu et al., 2021; Morgan et al., 2021; Vlassi & Papatheodorou, 2024), empirical research rarely tests co-branding as a mediating pathway linking authentic local products, destination attractiveness, and institutional support to perceived sustainable tourism, especially in emerging destinations where branding ecosystems remain consolidating. These gaps limit current understanding of how sustainable tourism value is co-created through integrated branding rather than through isolated attributes.

To address these gaps, this study advances sustainable tourism branding research in three ways. First, it theorizes co-branding integration as a value co-creation mechanism that converts local product authenticity, destination attractiveness, and institutional support into perceived sustainable tourism, moving beyond prior direct-effect models (Liu et al., 2021; Morgan et al., 2021; Vlassi & Papatheodorou, 2024). Second, drawing on Service-Dominant Logic (SDL) (Vargo & Lusch, 2008, 2016) and Stakeholder Theory (Freeman, 2010), the study models these antecedents as ecosystem resources whose alignment is necessary for sustainability-oriented branding, providing a mechanism-based explanation of sustainable destination branding. Third, it offers robust evidence from two major Indonesian destinations, extending co-branding and sustainability insights to emerging tourism markets where local products and destination brands are often developed separately (Chiu et al., 2024; Koumara-Tsitsou & Karachalis, 2021). Empirically, this study surveys tourists who visited tourism destinations in Indonesia and analyses the proposed model using PLS-SEM. The study investigates the impacts of local product authenticity, destination attractiveness, and institutional support on co-branding integration, the direct effect of co-branding integration on perceived sustainable tourism, and the mediating role of co-branding integration in linking antecedents to sustainability perceptions. The findings are expected to inform both theory and practice on how destinations can embed authentic local products into sustainability-oriented branding strategies.

Literature review

Service-dominant logic, stakeholder theory, and sustainability

The main theoretical foundation of this study is Service-Dominant Logic (SDL) introduced by Vargo & Lusch (2008, 2016), which conceptualizes service, rather than goods, as the fundamental basis of value exchange. SDL emphasizes continuous collaboration among multiple actors in value creation, positioning users (tourists in this study) as integral participants in the co-creation of sustainable tourism value. SDL has been widely applied in tourism research to examine destination brand ecosystems and value co-creation

among tourists, governments, businesses, and local communities (Ashaduzzaman, 2024; Giannopoulos et al., 2020). Recent systematic reviews also reaffirm SDL's relevance in tourism by showing that destination value is realized through resource integration and actor interaction, rather than through destination attributes alone (Ribeiro et al., 2023). This logic is particularly relevant for sustainable tourism contexts because it frames destinations as service ecosystems where sustainability-related value emerges only when ecosystem resources are integrated through actors' interactions over time (Font et al., 2021). Within this service ecosystem perspective, destination branding serves as a promotional activity and a collaborative mechanism through which destination meanings, local resources, and stakeholder values are integrated. Badari et al. (2024) show that digital marketing capabilities can strengthen destination branding, operational efficiency, organisational performance, and sustainable tourism practices in the Indonesian tourism context. This finding supports the SDL-based argument that destination value is co-created through interaction among public organisations, tourists, local businesses, and communities. To specify what "sustainable tourism" means as an outcome, this study grounds sustainability in the Triple Bottom Line (TBL) perspective (Elkington, 2004). TBL conceptualizes sustainability as a balanced pursuit of environmental responsibility, socio-cultural (social) well-being, and economic viability, and has become a widely adopted framework for evaluating sustainable tourism impacts and perceptions (Aransyah et al., 2025; Lindell et al., 2022). Recent tourism studies applying TBL confirm that tourists' sustainability evaluations are multidimensional and typically aligned with these three pillars (Aransyah et al., 2025; Yeap & Liow, 2023). Thus, in this study, perceived sustainable tourism is treated as a TBL-based construct that reflects tourists' assessments of the destination's environmental, socio-cultural, and economic sustainability performance.

The TBL framework is further strengthened by stakeholder theory, which highlights that sustainable destination outcomes depend on multi-actor involvement and coordination (Freeman, 2010). In open destination systems, stakeholders frequently hold competing interests, making the development of a coherent destination brand identity a persistent challenge (Saisud & Wongmontha, 2018). Recent place/destination branding scholarship also stresses that sustainability-oriented branding requires inclusive stakeholder engagement and governance alignment to legitimize shared sustainability narratives across actors and sub-brands (Aguilera-Cora et al., 2025). Accordingly, institutional support in this study is a key public-stakeholder resource that enables collaboration, value alignment, and the long-term sustainability orientation of destination branding. This argument is reinforced by Septian et al. (2025), who show that sustainable tourism governance requires open government collaboration, transparency, participation, and coordination among key actors. Similarly, Litheko (2022) emphasizes that sustainable eco-tourism development requires public–private partnership, stakeholder interest identification, policy support, community empowerment, and alignment of functional activities among relevant actors.

Prior studies have examined the integration of destinations and local strengths in branding contexts. For example, Çalışkan & Dedeoğlu (2019) show that synergy between local values and destination management is essential for sustainable branding in Adıyaman, Turkey. Similarly, stakeholder-based identity development has been identified as difficult to achieve within open systems due to competing tourism interests (Saisud & Wongmontha, 2018). In ASEAN settings, regional branding collaborations have also been explored; for instance, Andaman regional branding in Thailand emphasizes that value coherence across local sub-brands is critical for building a unified regional destination identity (Pongsakornrungsilp et al., 2021). These studies collectively highlight the importance of local communities, SMEs, and tourists in shaping sustainable destination brands. Community participation is particularly important because local products are economic commodities and carriers of cultural meaning, place identity, along with community value. Septyandi et al. (2025) show that social norms, perceived behavioural control, perceived costs, compatibility, and community participation significantly influence the adoption of sustainable tourism practices. Chiwawa & Wissink (2023) further argue that sustainable tourism can support local and regional development when communities are actively involved in the tourism value chain and when tourism benefits contribute to poverty alleviation, skills development, equitable income distribution, biodiversity conservation, and cross-sector collaboration.

Nevertheless, the literature indicates a clear gap in the in-depth examination of co-branding models that integrate authentic local products with destination brands as a sustainability-oriented strategy. Existing studies tend to focus on single-destination branding or fragmented branding approaches, while integrative co-branding that strategically leverages local products as part of destination identity remains underexplored. More importantly, recent reviews on place branding and sustainable development emphasize that research in explaining how branding integration mechanisms translate ecosystem resources into sustainability perceptions remains limited (Aguilera-Cora et al., 2025; Pasquinelli & Kavaratzis, 2025), particularly across the three TBL pillars. Empirical tests of co-branding as a mediating pathway linking local product authenticity, destination attractiveness, and institutional support to TBL-based sustainable tourism perceptions are also scarce, especially in developing-country contexts such as Indonesia. Therefore, this

study explicitly aims to fill this gap by integrating SDL, TBL, and stakeholder theory into a coherent conceptual model. This study also offers empirical evidence on how co-branding mediates local product strength, destination attractiveness, and institutional support to perceived sustainable tourism. Unlike prior work that is largely conceptual or descriptive (Shaukat et al., 2022), this article provides an analytical framework to test causal relationships among latent constructs within a sustainable tourism ecosystem, extending sustainable destination branding research by clarifying the TBL-based sustainability mechanism from an ecosystem perspective.

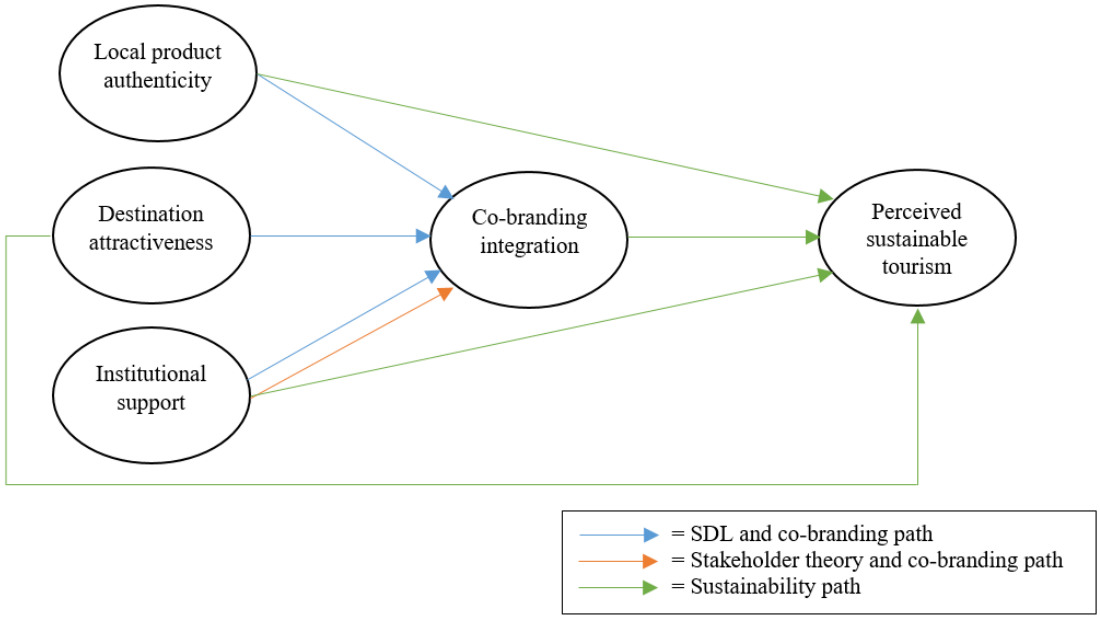

Figure 1. Research model
Source(s): Authors' own work

Methodology

This study employed a descriptive–correlational quantitative design and tested the proposed conceptual model using Partial Least Squares Structural Equation Modelling (PLS-SEM). A correlational strategy was chosen because it aims to examine structural relationships among latent constructs and to assess the mediating role of co-branding integration in predicting sustainable tourism perceptions. PLS-SEM is appropriate for prediction-oriented and exploratory models with complex relationships and does not require strict multivariate normality assumptions, making it suitable for tourism research contexts with heterogeneous visitor data (Hair et al., 2021). Primary data were collected from 456 domestic tourists who had visited Yogyakarta or Bandung within the last three years. Inclusion criteria were: (1) at least 18 years old, (2) having visited one of the two destinations in the specified period, and (3) having interacted with or purchased local products during the trip. Respondents who had not interacted with local products or had only made a very short visit without meaningful destination engagement were excluded to ensure relevance to the co-branding ecosystem under investigation. The unit of analysis was the individual tourist's perception, consistent with destination branding studies focusing on visitor-based evaluation of branding effectiveness and sustainability outcomes. To enrich contextual understanding, the study also gathered qualitative insights through semi-structured interviews with key ecosystem actors (e.g., SMEs representatives, local tourism offices, and destination managers). These interviews were excluded from the SEM estimation but served to triangulate interpretation and strengthen external validity of the findings, consistent with mixed-method evidence practices in sustainable tourism research (Shaukat et al., 2022). A total of 456 respondents participated, with females dominating the sample (63.24%) and young adults aged 18–25 forming the largest age group (58.55%), indicating that the dataset mainly reflects younger, highly mobile tourists. Most respondents came from provinces within Java, especially Banten (29.54%), West Java (29.32%), and Jakarta (24.95%), suggesting strong representation from nearby source markets. Regarding occupation, college students (43.33%) and private employees (28.67%) were the two largest groups, consistent with the age structure; educational backgrounds were concentrated at the senior high school level (53.83%) and at the bachelor's degree level (28.23%). Most were not married (60.39%) and reported monthly living costs below IDR 5 million (64.91%), pointing to a middle-income segment with relatively modest spending capacity. Regarding travel behaviour, respondents typically visited Yogyakarta/Bandung once (40.92%) or two to

three times (40.26%) in the last three years, and most stays lasted 1–4 days (68.54%). Travel was mainly undertaken with family (59.74%) or friends (36.32%), and the primary purpose was recreation (68.93%), confirming that these destinations are predominantly perceived as leisure-oriented, socially shared tourism spaces.

Table 1. Respondent profile

Category	Description	n	%
Gender	Female	289	63.24
	Male	167	36.54
Age	18-25 years	269	58.55
	26-35 years	48	10.5
	36-45 years	46	10.07
	46-55 years	41	8.97
	> 55 years	52	11.38
Province	Banten	135	29.54
	Jakarta	114	24.95
	West Java	134	29.32
	Central Java	11	2.41
	East Java	30	6.56
	Out of Java Island	32	7.0
Occupation	College students	198	43.33
	Private employees	131	28.67
	Housewives	37	8.1
	Entrepreneur	31	6.78
	Civil servant	15	3.28
	Lecturer	9	1.71
	Retired	8	1.53
	Others	27	6.60
Education	< Senior High School	3	0.66
	Senior High School	246	53.83
	Diploma	37	8.1
	Bachelor (S1)	129	28.23
	Master (S2)	24	5.25
	Doctorate (S3)	17	3.72
Marital status	Not married yet	276	60.39
	Married	170	37.2
	Divorced	10	2.19
Living cost per month (IDR)	< 2 million	159	34.79
	2-5 million	137	29.98
	5-10 million	91	19.91
	10-15 million	24	5.25
	> 15 million	45	9.85
Frequency of visiting Yogyakarta or Bandung (last 3 years)	Once	187	40.92
	2-3 times	184	40.26
	4-5 times	33	7.22
	> 5 times	52	11.38
Last visit duration	<24 hours	56	12.25
	1-2 days	158	34.57
	3-4 days	150	32.82
	5-7 days	55	12.04
	> 7 days	37	8.1
Companion	Family	273	59.74
	Friends	166	36.32
	Alone	17	3.72
Purpose	Recreation	315	68.93
	Visit family/ friends	76	16.63
	Education/ Research	23	5.03
	Business	23	5.03
	Others	18	4.02

Source(s): Authors' own work

Research instruments

Survey data were collected using a structured questionnaire with five-point Likert scales (1 = strongly disagree, 5 = strongly agree). All measures were adapted from established tourism and destination-branding literature and then contextualized to Yogyakarta and Bandung. The instrument captured five latent constructs: local product authenticity, destination attractiveness, institutional support, co-branding integration, and perceived sustainable tourism (TBL-based). Local product authenticity was operationalized to reflect tourists' evaluations of the uniqueness, cultural embeddedness, perceived quality, and accessibility of local products as place-based resources (Koumara-Tsitsou & Karachalis, 2021; Moore et al., 2021). Destination attractiveness was measured in three widely validated dimensions: destination attractions/uniqueness, infrastructure and accessibility, and service quality/reputation. This dimensional structure aligns with destination attractiveness models in tourism research, where cultural attractions and unique experiences represent the primary pull factors, while supporting infrastructure, accessibility, and service quality function as secondary determinants shaping overall attractiveness perceptions (Nasir et al., 2021; Reitsamer et al., 2016). Institutional support was operationalized to capture tourists' perceptions of destination-level governance support across three domains: policy and planning support, infrastructure and investment support, and promotion/marketing and public–private partnership support (Schönherr et al., 2023; Zhang et al., 2024). Co-branding integration was operationalized through two dimensions: co-branding strategy (simultaneous promotion, visible collaborative symbols/logos, shared narratives, destination branding on packaging, and use of local products as promotional touchpoints) and co-branding

effectiveness (perceived boost to revisit interest, purchase likelihood of local products, destination attractiveness, uniqueness of experience, and overall destination value), consistent with destination co-branding as strategic brand alignment and performance in tourism ecosystems (Liu et al., 2021; Rowley & Hanna, 2020). Perceived sustainable tourism was measured using the TBL perspective, encompassing environmental, socio-cultural, and economic sustainability, through six outcome-focused items assessing responsible environmental management, cultural preservation and community well-being, and long-term local economic benefits, aligning with contemporary TBL applications in tourism (Aransyah et al., 2025; Gaonkar & Sukthankar, 2025; Lindell et al., 2022). Prior to full deployment, content validity was evaluated through expert judgment to ensure item clarity, relevance, and conceptual coverage. A small pilot test was subsequently conducted to refine wording and confirm respondent comprehension. This procedure aligns with scale development and adaptation standards in tourism and marketing research.

Data analysis

Data were analysed using SmartPLS 4.0 following current PLS-SEM best-practice guidelines, with the analysis conducted in two sequential stages: assessment of the measurement model (outer model) and evaluation of the structural model (inner model) (Hair et al., 2021). The measurement model was first examined to establish construct adequacy by assessing indicator reliability through outer loadings (≥ 0.70), internal consistency reliability using Cronbach's alpha and composite reliability (CR), convergent validity via Average Variance Extracted (AVE ≥ 0.50), and discriminant validity using the heterotrait–monotrait ratio (HTMT), which is recommended for composite-based SEM (Hair et al., 2021; Sarstedt et al., 2020). After confirming measurement quality, the structural model was evaluated to test the hypothesized relationships by inspecting collinearity through VIF values, assessing explanatory power through R^2 for endogenous constructs, and examining predictive relevance using Q^2 obtained via blindfolding. Given the prediction-oriented nature of PLS-SEM, out-of-sample predictive performance may also be assessed using PLS predict where appropriate (Hair et al., 2022). Hypotheses were tested with nonparametric bootstrapping (10,000 subsamples) to generate t-statistics, p-values, and bias-corrected confidence intervals for direct and indirect paths, and the mediating role of co-branding integration was evaluated through the significance and magnitude of specific indirect effects relative to direct effects, consistent with contemporary PLS-SEM mediation procedures (Hair et al., 2021; Sarstedt et al., 2020).

Results

Measurement model

The reflective measurement model was assessed by inspecting construct reliability and convergent validity using outer loadings, Cronbach's alpha, Dijkstra–Henseler's rho (ρA), composite reliability (CR), and average variance extracted (AVE), following established PLS-SEM recommendations (Hair et al., 2021). As shown in Table 2, all indicators load strongly on their intended constructs, with outer loadings exceeding the recommended 0.708 threshold, indicating adequate indicator reliability (Hair et al., 2021).

Table 2. Loading factor, Cronbach *α*, CR, Rho_A, and AVE

Latent variable & indicators	Loadings factor	Cronbach α	CR	Rho_A	AVE
Local Product Authenticity		0.853	0.895	0.855	0.630
I am familiar with this destination through its local products.	0.773				
The local products in this destination have distinctive and unique characteristics.	0.804				
The local products in this destination reflect and preserve important cultural heritage.	0.786				
I trust the quality of the local products in this destination.	0.824				
Local products are easy to find and access during my visit.	0.780				
Destination Attractiveness		0.900	0.921	0.902	0.625
This destination offers rich cultural attractions.	0.759				
Visiting this destination provides a unique travel experience.	0.798				
This destination has a distinctive character compared with other places.	0.796				
The accommodation facilities in this destination meet my needs.	0.750				
Tourist facilities and infrastructure here are well maintained and easy to use.	0.780				
Overall, the service quality in this destination meets my expectations.	0.806				
This destination has a positive reputation as a place to visit.	0.843				
Institutional Support		0.949	0.957	0.950	0.712
Local government policies in this destination support the development of local products.	0.797				
The local government facilitates intellectual property rights (IPR) and certification for local business actors.	0.818				
The government provides assistance and guidance to SMEs and tourism-related businesses.	0.857				
Government investment in tourism infrastructure is evident in this destination.	0.840				
The government actively supports local business development related to tourism.	0.874				
Public–private partnerships for tourism development operate effectively here.	0.854				
Government-provided tourism information is helpful for visitors.	0.868				
The government promotes local products effectively to tourists.	0.866				
The government supports tourism events and festivals in this destination.	0.818				

Latent variable & indicators	Loadings factor	Cronbach α	CR	Rho_A	AVE
Co-Branding Integration		0.958	0.937	0.959	0.686
Local products and the tourist destination are promoted simultaneously.	0.782				
I notice logos or symbols that represent collaboration between local products and the destination.	0.851				
There is a clear story or narrative that connects local products with the destination's identity.	0.818				
Local product packaging displays the destination's branding.	0.776				
Local products are used as part of destination promotion (e.g., souvenirs, promotional media).	0.820				
Co-branding increases my interest in returning to this destination.	0.848				
Co-branding makes me more likely to buy local products.	0.867				
Co-branding makes this destination more attractive.	0.862				
The combination of local products and the destination creates a unique experience.	0.850				
This co-branding increases the overall value of the destination.	0.858				
I feel more attracted to buying local products because of the destination's reputation.	0.842				
I consider this destination more valuable because it supports local products.	0.842				
Perceived Sustainable Tourism		0.919	0.937	0.922	0.715
Tourism in this destination is managed in an environmentally responsible way.	0.766				
Tourism activities here help protect natural resources and reduce environmental harm.	0.780				
Tourism in this destination helps preserve local culture and traditions.	0.871				
Tourism development here improves residents' quality of life and community well-being.	0.886				
Tourism in this destination supports long-term local economic development.	0.879				
Tourism here creates fair economic benefits for local people and small businesses.	0.881				

Source(s): Authors' own work

Internal consistency is also well supported: Cronbach's alpha values are above 0.70, ρA values are above the suggested 0.80 benchmark, and CR values for every construct surpass 0.70, confirming reliable measurement at the construct level (Hair et al., 2021). Convergent validity is established because all AVE values exceed 0.50, indicating that each construct explains at least half of the variance of its indicators (Hair et al., 2021). Discriminant validity was subsequently evaluated using the Fornell–Larcker criterion, where the square root of AVE for each construct should be higher than its correlations with other constructs; the results indicate satisfactory discriminant validity across all constructs (Fornell & Larcker, 1981; Hair et al., 2021).

Table 3. Discriminant validity

Constructs	CBI	DA	IS	LPA	PST
Co-branding integration (CBI)	0,828				
Destination Attractiveness (DA)	0,773	0,797			
Institutional Support (IS)	0,823	0,773	0,844		
Local Product Authenticity (LPA)	0,749	0,781	0,715	0,794	
Perceived Sustainable Tourism (PST)	0,819	0,760	0,782	0,709	0,844

Source(s): Authors' own work

Structural model

The structural model assessment indicates that the proposed framework performs well in terms of collinearity, predictive relevance, and explanatory power. First, collinearity diagnostics show that all inner VIF values are below the conservative threshold of 5.0 (1.90–3.85), suggesting no critical multicollinearity among the predictor constructs (Hair et al., 2021). Second, the model demonstrates predictive relevance because Stone–Geisser's Q^2 values obtained via blindfolding are greater than zero (0.41–0.59), indicating that the model has meaningful out-of-sample predictive capability for the endogenous constructs (Hair et al., 2021). Third, the coefficients of determination (R^2) are high, with local product authenticity, destination attractiveness, and institutional support jointly explaining a substantial proportion of variance in co-branding integration ($R^2 = 0.756$), and co-branding integration explaining a substantial proportion of variance in perceived sustainable tourism ($R^2 = 0.763$). According to PLS-SEM guidelines, R^2 values around 0.75 can be interpreted as substantial explanatory power in behavioral research contexts (Hair et al., 2021). Finally, effect-size evaluation using f^2 (0.05–0.42) suggests that while some predictors may exert small effects (0.02–0.14), at least one predictor demonstrates a medium-to-large contribution (≥0.15 and ≥0.35 benchmarks), reinforcing the practical importance of the key paths in explaining the endogenous constructs (Hair et al., 2021). These results confirm that the structural model is robust and that co-branding integration plays a central mediating role in translating destination and product resources into TBL-based sustainable tourism perceptions.

Hypothesis testing was performed using a nonparametric bootstrapping procedure with a 95% confidence level; thus, effects are considered significant when t-values exceed 1.96 and p-values are below 0.05 (Hair et al., 2021). As summarized in Table 4, all three antecedents significantly predict co-branding integration: local product authenticity positively influences co-branding integration (H1: $\beta = 0.227$), destination attractiveness also shows a positive association with co-branding integration (H2: $\beta = 0.227$), and institutional support exhibits the strongest direct influence on co-branding integration (H3: $\beta = 0.489$).

Regarding perceived sustainable tourism, local product authenticity does not have a significant direct effect (H4: β = 0.035), indicating that authenticity alone is insufficient to enhance sustainability perceptions without an integrating mechanism. In contrast, destination attractiveness (H5: β = 0.203) and institutional support (H6: β = 0.167) both exert significant positive direct effects on perceived sustainable tourism. Co-branding integration, as expected, has a substantial positive impact on perceived sustainable tourism (H7: β = 0.527), underscoring its central role in translating destination and product resources into TBL-based sustainability outcomes. Mediation results further confirm this mechanism: co-branding integration significantly mediates the effects of local product authenticity (H8: β = 0.120), destination attractiveness (H9: β = 0.119), and institutional support (H10: β = 0.258) on perceived sustainable tourism. The findings support all proposed direct and indirect hypotheses except H4, highlighting co-branding integration as the key pathway through which authenticity, attractiveness, and institutional backing jointly shape sustainable tourism perceptions.

Table 4. Direct and indirect effect

Hypotheses		β	*t*-values	*p*-values	Result
Direct effect					
H1.	Local product authenticity → Co-branding integration	0.227	4.369	0.000	accepted
H2.	Destination attractiveness → Co-branding integration	0.227	4.106	0.000	accepted
H3.	Institutional support→ Co-branding integration	0.489	11.093	0.000	accepted
H4.	Local product authenticity → Perceived sustainable tourism	0.035	0.711	0.477	rejected
H5.	Destination attractiveness → Perceived sustainable tourism	0.203	3.442	0.001	accepted
H6.	Institutional support → Perceived sustainable tourism	0.167	2.952	0.003	accepted
H7.	Co-Branding → Perceived sustainable tourism	0.527	9.366	0.000	accepted
Indirect effect					
H8.	Local product authenticity → Co-branding integration → Perceived sustainable tourism	0.120	3.952	0.000	accepted
H9.	Destination attractiveness → Co-branding integration → Perceived sustainable tourism	0.119	3.952	0.000	accepted
H10.	Institutional support → Co-branding integration → Perceived sustainable tourism	0.258	6.636	0.000	accepted

Source(s): Authors' own work

Discussion

This study demonstrates that integrating SDL (Vargo and Lusch, 2008, 2016), stakeholder theory (Freeman, 1984), and the TBL (Elkington, 2004) into a single ecosystem-based framework helps explain how sustainable tourism perceptions are formed through destination–local product co-branding. In line with sustainability studies, sustainable tourism is not treated as a single-dimensional outcome but as tourists' holistic evaluation of environmental responsibility, socio-cultural continuity, and economic viability (Aransyah et al., 2025; Lindell et al., 2022). The findings extend this TBL logic by showing that sustainability meaning emerges most clearly when destination resources are integrated into coherent branding narratives rather than when they are communicated as isolated attributes. This supports recent place and destination branding reviews arguing that sustainability-oriented value is socially constructed through meaning-making and branding integration across actors and touchpoints. A central contribution of this research lies in positioning co-branding integration as a value co-creation mechanism that connects authentic local products with destination sustainability narratives. Co-branding in tourism ecosystems is widely understood as strategic brand alignment that leverages shared symbols, stories, and value propositions between destinations and partner brands to strengthen destination identity and market positioning (Liu et al., 2021; Morgan et al., 2021; Vlassi & Papatheodorou, 2024). Building on this view, the study shows that tourists interpret co-branding signals such as joint promotion, visible partnerships, and coherent local-product storytelling as cues that the destination is not only attractive but also sustainably managed across the TBL pillars. In SDL terms, this indicates that local products function as operant resources whose sustainability meaning depends on their integration into the broader service ecosystem, consistent with tourism co-creation research emphasizing that value is realized through resource integration and actor interaction rather than through attributes alone (Giannopoulos et al., 2020).

The results further underscore that sustainability perceptions are shaped by a combination of experiential and institutional ecosystem resources. Destination attractiveness contributes to sustainability perceptions because tourists often infer sustainability from the quality and distinctiveness of cultural experiences, the adequacy of infrastructure, and service performance, which signal the destination's capacity to maintain long-term socio-cultural and environmental quality. This aligns with sustainable destination management agendas that highlight experiential performance and destination quality as key foundations for sustainable development (Apak & Gürbüz, 2023; Laesser et al., 2025). Institutional support also plays a pivotal role, consistent with stakeholder theory's claim that sustainable destination outcomes require coordinated governance, policy facilitation, and market orchestration among multiple actors (Freeman, 2010; Schönherr et al., 2023; Zhang et al., 2024). Recent studies similarly show that tourists interpret visible government involvement, such as infrastructure investment, SME facilitation, and destination promotion, as evidence of long-term economic viability and community benefit (Rodrigues et al., 2025). A theoretically important insight is that authentic local products do not automatically influence perceived sustainable

tourism unless they are embedded within integrated destination branding. Authenticity research emphasizes that tourists seek place-embedded experiences, and local products can serve as meaningful cultural resources that reinforce identity and heritage (Rickly et al., 2025). However, prior work also cautions that when local products are marketed separately from destination narratives, their capacity to communicate sustainability is weakened, producing fragmented place meanings (Koumara-Tsitsou & Karachalis, 2021; Rickly et al., 2025). The present study reinforces this argument by indicating that authenticity operates primarily through co-branding integration: tourists perceive authentic products as sustainability-relevant only when those products align with destination identity through shared symbols, collaborative storytelling, and coordinated promotion. This clarifies a mechanism-based gap identified in recent place branding and sustainable development literature, which calls for stronger explanation of *how* branding integration converts ecosystem resources into sustainability meaning (Pasquinelli & Kavaratzis, 2025).

Therefore, these findings advance sustainable destination branding theory in three ways. First, they validate SDL's ecosystem logic within sustainability contexts, demonstrating that sustainability value is co-created through the integration of cultural resources (authentic products), experiential resources (destination attractiveness), and institutional resources (governance support). Second, they extend TBL-based tourism work by showing that tourists' sustainability evaluations are strengthened by branding coherence that makes economic, socio-cultural, and environmental benefits legible in a single narrative. Third, they contribute to stakeholder-oriented place branding by evidencing that institutional actors matter as direct enablers of sustainability and especially as orchestrators of co-branding processes that tourists can perceive and use in meaning-making. From a managerial standpoint, the findings imply that destination managers should reposition authentic local products as core brand touchpoints within a unified sustainability-oriented destination brand, rather than treating them as peripheral souvenirs. Practically, this means designing integrated visitor journeys where local products appear consistently before travel (digital promotion), during travel (on-site experience), and after travel (take-home memory) through shared branding cues, storylines, and visual identity. Co-branding should be made tangible in the tourism "servicescape": joint signage at attractions, product displays in official visitor centres, curated local-product trails, and co-developed souvenirs that carry destination symbols and narratives. Such integration helps tourists interpret local products as part of the destination's identity and, crucially, as evidence of sustainable value creation aligned with the Triple Bottom Line (economic, socio-cultural, and environmental benefits) (Aransyah et al., 2025; Lindell et al., 2022).

For local governments and destination management organizations (DMOs), the results emphasize that institutional support is most effective when it orchestrates collaboration and messaging, not only when it provides infrastructure or SME assistance. Beyond funding and regulation, policymakers should act as brand coordinators who reduce fragmentation among tourism actors. Concretely, this can be operationalized through (1) formal co-branding programs that pair priority local products with flagship attractions, (2) shared marketing calendars linking festivals, markets, and destination campaigns, and (3) facilitation of certification/IPR and quality standards so local products meet brand promises credibly. These actions strengthen stakeholder alignment and make co-branding legible to tourists, consistent with sustainable destination governance arguments that sustainability outcomes depend on coordinated multi-actor resource integration (Freeman, 2010; Schönherr et al., 2023; Zhang et al., 2024). Finally, for SMEs and local product producers, the managerial takeaway is that authenticity alone will not automatically translate into sustainability value unless it is strategically connected to the destination brand. SMEs should therefore collaborate with DMOs to embed destination narratives into product design and communication—for instance, packaging that features destination heritage symbols, QR-linked micro-stories about artisans and cultural meaning, and product bundles tied to specific attractions or routes. SMEs can also leverage digital co-branding by cross-tagging destination accounts, using shared hashtags, and participating in destination-endorsed online marketplaces to extend the brand ecosystem beyond the visit itself. This approach converts authenticity into an integrated sustainability story that tourists can recognize and evaluate, amplifying perceived sustainable tourism through co-created brand meaning.

Conclusion

This study advances sustainable destination branding research by showing that tourists' perceptions of sustainable tourism are best explained through an ecosystem-based integration of authentic local products, destination attractiveness, and institutional support, with co-branding integration serving as the pivotal value co-creation mechanism. Grounded in SDL and stakeholder theory, the findings underscore that sustainability meaning does not arise from isolated destination attributes but from coordinated resource alignment and coherent branding narratives that connect place identity, local product authenticity, and governance support into a unified visitor interpretation of TBL outcomes. By empirically validating this mechanism across two

major Indonesian destinations, the study extends recent calls in sustainable place branding for process-oriented, stakeholder-inclusive explanations of how branding coherence translates into perceptions of environmental, socio-cultural, and economic sustainability, offering both theoretical clarity and actionable direction for sustainability-oriented destination management. Despite these contributions, several limitations suggest avenues for future research. First, the study relies on domestic tourists in two Indonesian destinations, which strengthens contextual relevance but may limit generalizability to other cultural, institutional, or market settings. Comparative tests involving international visitors or destinations with different governance and branding maturity would sharpen boundary conditions. Second, sustainability was measured perceptually through TBL-based indicators; future studies could triangulate these perceptions with objective sustainability metrics (e.g., environmental performance, local income distribution, or cultural preservation indices) to reduce common-method bias and deepen causal inference. Third, although co-branding integration was modelled as the central mechanism, further research is still needed to unpack which specific narrative forms, partnership structures, or digital touchpoints most effectively convert authenticity into sustainability meaning, potentially through mixed-method or longitudinal designs that capture the evolution of branding ecosystems over time.

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