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Competitive Advantage in Eco-Friendly Accommodation in Bali: Linking Green Supply Chain Management to Sustainability Performance

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Abstract
This study aims to examine the role of Green Supply Chain Management (GSCM) in enhancing Sustainability Performance through Sustainable Competitive Advantage (SCA) in eco-friendly accommodation in Bali, grounded in the Natural Resource-Based View and Resource-Based View. This study examines eco-friendly accommodation in Bali as the research object, focusing on Green Supply Chain Management (GSCM), Sustainable Competitive Advantage (SCA), and Sustainability Performance as key variables. A quantitative approach was employed using survey data collected from accommodation managers. The research framework was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), emphasizing measurement model evaluation, structural relationships, and mediation analysis to test the proposed hypotheses. The results indicate that Green Supply Chain Management significantly enhances Sustainability Performance and Sustainable Competitive Advantage. Sustainable Competitive Advantage also positively influences Sustainability Performance and acts as a significant mediator. These findings highlight that sustainability practices generate stronger performance outcomes when transformed into strategic capabilities, offering a more integrated explanation of how environmental initiatives drive competitive and sustainability advantages. This study is limited by its cross-sectional design and focus on eco-friendly accommodation in Bali. The findings suggest that managers should integrate GSCM into strategic initiatives to enhance competitiveness and sustainability. Regulators can support adoption through incentives. Future research should apply longitudinal designs and explore additional variables such as digitalization and circular economy practices. This study extends the Resource-Based View and Natural Resource-Based View by positioning Green Supply Chain Management as a strategic capability within eco-friendly accommodation in Bali. It introduces an integrated model linking GSCM, Sustainable Competitive Advantage, and Sustainability Performance, highlighting the mediating role of SCA and providing new insights into how environmental practices translate into strategic and performance outcomes.

Keywords: sustainability performance, green supply chain, sustainable competitive advantage.

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INTRODUCTION

Sustainability has emerged as a key concern in global business practices, influenced by increasing environmental degradation, climate change, and heightened stakeholder awareness. The tourism and hospitality sector, as one of the fastest-growing industries, is under significant pressure to implement sustainable practices due to its considerable impact on the environment (Sharma, 2023). Accommodation services such as hotels, villas, homestays, and eco-lodges play a major role in energy consumption, water usage, and waste generation. Therefore, the shift toward environmentally responsible practices has become essential, especially in destinations like Bali, where tourism acts as a major driver of regional economic growth (Santika et al., 2023).

Bali is widely recognized as a global tourism destination that is increasingly embracing sustainability-oriented development. The rapid growth of eco-friendly accommodation reflects a strategic shift among industry players to integrate environmental considerations into their operational and managerial practices. Eco-friendly accommodation practices refer to the deliberate environmental policies and operational activities implemented by accommodation providers to minimize the negative environmental impacts of their services. These practices include energy and water conservation, waste reduction and recycling, the use of environmentally friendly products, and the adoption of technical and

behavioral measures that support environmental protection and sustainable operations (Dewi & Rahayu, 2023). Nevertheless, despite the proliferation of such practices, empirical evidence regarding their effectiveness in enhancing sustainability performance and long-term competitiveness remains inconclusive.

Green Supply Chain Management (GSCM) has been widely acknowledged as a strategic approach for integrating environmental considerations into supply chain activities. Green Supply Chain Management (GSCM) can be defined as the integration of environmental considerations into supply chain management activities, including product or service design, procurement, supplier selection, production or service operations, distribution, and end-of-life management, with the aim of reducing environmental impacts throughout the supply chain (Srivastava, 2007). In the accommodation sector, GSCM encompasses practices such as green procurement, supplier collaboration, eco-friendly operations, and waste management (Ghaderi et al., 2023). Although prior studies have demonstrated the positive impact of GSCM in manufacturing contexts, findings in service industries remain fragmented and lack consistency. This indicates a critical need to further examine how GSCM operates within accommodation businesses, particularly in tourism-dependent regions.

Sustainability performance refers to a firm's ability to simultaneously achieve environmental, economic, and social outcomes. Previous studies suggest that GSCM contributes to improved environmental performance through reduced emissions, enhanced energy efficiency, and effective waste management (Suhaimi & Chandran, 2024). However, its impact on economic and social dimensions is often inconsistent, as these outcomes are influenced by internal organizational factors such as managerial commitment, technological capability, and organizational culture. Moreover, challenges such as high implementation costs, limited infrastructure, and resistance to change may weaken the effectiveness of GSCM practices, thereby creating variability in sustainability outcomes across firms.

In addressing these inconsistencies, Sustainable Competitive Advantage (SCA) has been proposed as a critical mechanism linking GSCM and sustainability performance. SCA reflects a firm's ability to maintain superior performance through unique, valuable, and difficult-to-imitate capabilities that align with sustainability principles (Tsikada et al., 2024). Prior studies indicate that GSCM can enhance operational efficiency, reduce costs, and strengthen corporate image, which collectively contribute to competitive advantage. However, empirical evidence examining the mediating role of SCA in the relationship between GSCM and sustainability performance remains limited, particularly in the accommodation sector.

Furthermore, the relationship between GSCM and sustainability performance is unlikely to be purely direct. Drawing on the Resource-Based View (RBV) and Natural Resource-Based View (NRBV), environmental capabilities developed through GSCM can be transformed into strategic resources that drive long-term performance (Wamalwa & Meyer, 2024). Firms that effectively leverage these capabilities are more likely to achieve sustained competitive advantage and superior sustainability outcomes. Despite this theoretical foundation, empirical studies integrating GSCM, SCA, and sustainability performance into a unified model remain scarce, especially within the context of eco-friendly accommodation.

The implementation of GSCM in accommodation businesses in Bali is essential to ensure that all stages of the supply chain contribute to environmental preservation and sustainable development. However, the effectiveness of such implementation is often constrained by limited understanding, technological barriers, and financial challenges (Febri et al., 2025). Therefore, this study aims to examine the effect of GSCM on sustainability performance, with SCA as a mediating variable, in eco-friendly accommodation.

This study contributes to the literature in several ways. First, it extends the application of the Resource-Based View (RBV) and Natural Resource-Based View (NRBV) by positioning Green Supply Chain

Management (GSCM) as a strategic capability rather than merely an operational practice. In the context of eco-friendly accommodation in Bali, GSCM is conceptualized as a set of valuable, rare, inimitable, and non-substitutable resources that enable firms to achieve sustainable competitive advantage. By focusing on the accommodation sector, this study broadens the application of GSCM beyond manufacturing and strengthens its relevance in service-based industries.

Second, this study advances sustainability research by developing an integrated model that links GSCM, Sustainable Competitive Advantage (SCA), and Sustainability Performance. It highlights the mediating role of SCA as a key mechanism through which environmental practices are translated into performance outcomes, thereby addressing the limited empirical evidence on this relationship. In addition, this study provides insights from a developing tourism destination, offering a more comprehensive understanding of how sustainability-oriented strategies contribute to both competitiveness and performance in eco-friendly accommodation.

LITERATURE REVIEW

Theoretical Foundation: Resource-Based View and Natural Resource-Based View

The Resource-Based View (RBV), introduced by Jay Barney (1991), posits that firms achieve competitive advantage through valuable, rare, inimitable, and non-substitutable (VRIN) resources. In the context of sustainability, this perspective is further extended by the Natural Resource-Based View (NRBV), proposed by Stuart L. Hart (1995), which emphasizes the strategic role of environmental capabilities in generating long-term competitive advantage. NRBV argues that firms adopting environmentally responsible practices, such as pollution prevention, product stewardship, and sustainable development, can simultaneously improve environmental and economic performance.

Within the accommodation sector, particularly eco-friendly accommodation in Bali, these theoretical perspectives are highly relevant due to the increasing importance of sustainability as a competitive factor. Eco-friendly accommodation, including hotels, villas, homestays, and eco-lodges, operates in a dynamic tourism environment where environmental quality directly influences market attractiveness (Apriani at al., 2024). In this context, environmental capabilities are not merely operational requirements but strategic resources that shape long-term competitiveness.

Green Supply Chain Management (GSCM) can be conceptualized as a bundle of strategic capabilities that align with both RBV and NRBV frameworks. Practices such as sustainable sourcing, collaboration with environmentally responsible suppliers, energy-efficient operations, and waste management enable accommodation providers to reduce environmental impact while enhancing operational efficiency (Alhassan et al., 2025). More importantly, when these practices are effectively embedded within organizational routines and strategies, they become difficult for competitors to replicate, thereby fulfilling the VRIN criteria.

Furthermore, the integration of GSCM into eco-friendly accommodation in Bali allows firms to transform environmental practices into sustainable competitive advantage. This transformation is critical, as not all green practices automatically lead to superior performance (Alhassan et al., 2025). Instead, the ability of firms to strategically leverage these practices determines their impact on sustainability performance. Therefore, RBV and NRBV provide a robust theoretical foundation for understanding how GSCM contributes to both sustainable competitive advantage and sustainability performance in the accommodation sector.

Green Supply Chain Management (GSCM)

Green Supply Chain Management (GSCM) refers to the integration of environmental considerations into supply chain activities, including green procurement, eco-friendly operations, supplier collaboration,

and waste management (Sarkis & Dou, 2017). Within the accommodation sector, GSCM extends beyond traditional manufacturing-oriented frameworks by incorporating service-specific practices such as sustainable sourcing of food and amenities, energy-efficient operations, water conservation, and waste reduction in daily hotel or accommodation activities.

In the context of eco-friendly accommodation in Bali, GSCM plays a critical role in addressing environmental challenges associated with tourism activities. Accommodation providers are increasingly required to align their supply chain practices with sustainability principles due to rising environmental awareness among tourists and stricter regulatory expectations (Ismail, 2023). For example, the use of locally sourced materials, reduction of single-use plastics, and collaboration with environmentally responsible suppliers represent key GSCM practices in this sector.

Previous studies have consistently shown that GSCM contributes to improved environmental performance and operational efficiency. However, empirical findings in service-based industries remain inconsistent, particularly regarding its broader impact on organizational performance (Kai et al., 2024). This inconsistency suggests that the effectiveness of GSCM may depend on how well it is integrated into organizational strategies and capabilities, especially in heterogeneous sectors such as accommodation.

Sustainable Competitive Advantage (SCA)

Sustainable Competitive Advantage (SCA) refers to a firm's ability to maintain a superior market position over time through unique, valuable, and difficult-to-imitate resources and capabilities. Drawing on the Resource-Based View (RBV) and Natural Resource-Based View (NRBV), environmental practices can be transformed into strategic assets that enhance competitiveness.

In eco-friendly accommodation in Bali, SCA is often reflected in the ability to differentiate services through sustainability-oriented offerings. This includes eco-certification, green branding, personalized sustainable experiences, and strong environmental reputation (Gayatri & Widhiyani, 2025). Such differentiation not only attracts environmentally conscious tourists but also strengthens customer loyalty and long-term market positioning.

Despite its strategic importance, the development of SCA in sustainability-oriented accommodation businesses is not automatic. It requires the effective transformation of operational practices, such as GSCM, into strategic capabilities (Alreahi et al., 2023). Existing studies suggest that while firms may adopt green practices, only those that successfully embed these practices into their strategic framework can achieve sustainable competitive advantage. Therefore, SCA is not merely an outcome but also a capability that mediates the relationship between operational practices and performance outcomes.

Sustainability Performance (SP)

Sustainability performance refers to a firm's ability to achieve balanced outcomes across environmental, economic, and social dimensions, often conceptualized as the triple bottom line. In the accommodation sector, sustainability performance includes indicators such as energy efficiency, waste reduction, cost savings, customer satisfaction, employee well-being, and community engagement (Jaklin & Sari, 2023).

For eco-friendly accommodation in Bali, sustainability performance is particularly important due to the region's dependence on environmental quality as a tourism asset. Environmental degradation can directly affect the attractiveness of the destination, thereby influencing business performance (Oktavia et al., 2025). As a result, accommodation providers are increasingly evaluated not only based on financial outcomes but also on their contribution to environmental preservation and social responsibility.

While prior studies indicate that sustainability performance can be enhanced through the adoption of green practices, the results are often mixed, particularly in service industries. This suggests that

sustainability performance is influenced not only by operational practices but also by internal capabilities and strategic alignment. Therefore, understanding the mechanisms through which practices such as GSCM translate into sustainability outcomes becomes essential.

Relationship between GSCM, SCA, and Sustainability Performance

The relationship between GSCM and sustainability performance has been widely discussed in the literature, with most studies suggesting a positive association. GSCM enables firms to reduce environmental impact, improve resource efficiency, and enhance operational performance. However, the strength and consistency of this relationship vary across industries and contexts, indicating the presence of underlying mechanisms that influence the effectiveness of GSCM.

Sustainable Competitive Advantage (SCA) has been identified as a key mediating factor in this relationship. GSCM practices can enhance a firm's capabilities by improving efficiency, innovation, and reputation, which in turn contribute to competitive advantage (Satar et al., 2023). This competitive advantage then drives improved sustainability performance by enabling firms to sustain long-term investments in environmental and social initiatives.

In the context of eco-friendly accommodation in Bali, this relationship becomes particularly relevant. Accommodation providers operate in a competitive environment where sustainability is increasingly used as a differentiation strategy (Putri, 2025). Therefore, the ability to transform GSCM practices into strategic advantages determines the extent to which sustainability performance can be achieved.

Despite the theoretical support for this relationship, empirical studies that simultaneously examine GSCM, SCA, and sustainability performance in the accommodation sector remain limited. This study addresses this gap by developing an integrated model that explains how GSCM influences sustainability performance both directly and indirectly through SCA.

Hypotheses Development

GSCM and Sustainability Performance

Green Supply Chain Management (GSCM) is widely recognized as a strategic approach that integrates environmental considerations into supply chain activities, enabling firms to reduce environmental impact while improving operational efficiency. Drawing on the Natural Resource-Based View (NRBV), environmental practices such as pollution prevention, product stewardship, and resource efficiency are considered strategic capabilities that can enhance firm performance.

Within eco-friendly accommodation in Bali, GSCM practices such as sustainable sourcing, waste minimization, and energy-efficient operations are expected to directly contribute to sustainability performance (Rahayu et al., 2025). These practices not only reduce environmental degradation but also create economic benefits through cost savings and more efficient resource utilization. However, prior studies indicate that the strength of this relationship varies across contexts, suggesting that while GSCM provides a foundation for sustainability, its direct impact may depend on additional organizational factors (Suhaimi & Chandran, 2024). Based on this theoretical reasoning, the following hypothesis is proposed: H1: Green Supply Chain Management has a positive and significant effect on Sustainability Performance.

GSCM and Sustainable Competitive Advantage

From the perspective of the Resource-Based View (RBV), firms achieve competitive advantage by developing valuable, rare, inimitable, and non-substitutable resources. GSCM can be conceptualized as a strategic capability that enhances firm differentiation through environmentally responsible practices.

In eco-friendly accommodation, GSCM enables firms to develop unique value propositions, such as eco-certification, green branding, and sustainable service experiences. These capabilities are difficult for competitors to replicate due to the integration of organizational routines, stakeholder relationships, and environmental knowledge (Alreahi et al., 2023). As a result, GSCM is expected to strengthen Sustainable Competitive Advantage (SCA).

Moreover, NRBV suggests that environmental capabilities are increasingly important sources of long-term competitiveness, particularly in industries where sustainability is a key driver of customer preference (Rahman et al., 2021). Therefore, firms that effectively implement GSCM are more likely to achieve sustained competitive advantage. Accordingly, the following hypothesis is proposed: H2: Green Supply Chain Management has a positive and significant effect on Sustainable Competitive Advantage.

Sustainable Competitive Advantage and Sustainability Performance

Sustainable Competitive Advantage (SCA) plays a critical role in translating organizational capabilities into long-term performance outcomes. According to RBV, firms that possess strong competitive advantages are better positioned to allocate resources efficiently, innovate continuously, and respond to environmental and market changes.

In eco-friendly accommodation in Bali, SCA derived from sustainability practices can enhance customer loyalty, strengthen brand reputation, and improve operational efficiency. These factors collectively contribute to improved sustainability performance across environmental, economic, and social dimensions (Apriani et al., 2024).

Furthermore, SCA enables firms to sustain investments in green practices, ensuring that sustainability initiatives are not only implemented but also maintained over time. Therefore, SCA is expected to have a direct and significant impact on sustainability performance (Li et al., 2024). Thus, the following hypothesis is proposed: H3: Sustainable Competitive Advantage has a positive and significant effect on Sustainability Performance.

The Mediating Role of Sustainable Competitive Advantage

While GSCM provides the operational foundation for sustainability, its effectiveness in improving sustainability performance is often contingent upon the firm's ability to transform these practices into strategic capabilities. This transformation process is explained by the integration of RBV and NRBV, which emphasize that resources must be effectively deployed and embedded within organizational strategy to generate performance outcomes.

Sustainable Competitive Advantage (SCA) serves as a critical mechanism in this process. GSCM practices enhance organizational capabilities by improving efficiency, innovation, and environmental reputation (Tsikada et al., 2024). These capabilities, when strategically leveraged, lead to competitive advantage, which subsequently drives sustainability performance.

In the context of eco-friendly accommodation in Bali, this mediating relationship is particularly relevant due to the competitive nature of the tourism industry, where sustainability is increasingly used as a differentiation strategy. Firms that fail to convert GSCM practices into strategic advantages may experience limited performance gains. Therefore, SCA is expected to mediate the relationship between GSCM and sustainability performance, both by strengthening and transmitting the impact of GSCM (Elizabeth et al., 2025). Accordingly, the following hypothesis is proposed: H4: Sustainable Competitive Advantage significantly mediates the relationship between Green Supply Chain Management and Sustainability Performance.

METHOD

Research Design

This study employs a quantitative research design with an explanatory approach to examine the causal relationships among Green Supply Chain Management (GSCM), Sustainable Competitive Advantage

(SCA), and Sustainability Performance. The research is grounded in the positivist paradigm, aiming to test hypotheses derived from the Resource-Based View (RBV) and Natural Resource-Based View (NRBV). A cross-sectional design is used, where data are collected at a single point in time from eco-friendly accommodation providers in Bali.

The population consists of eco-friendly accommodation businesses, including hotels, villas, homestays, glamping, and eco-lodges that implement environmentally responsible practices. A purposive sampling technique is applied with criteria: implementation of green practices, minimum three years of operation, and respondents in managerial or owner positions. A total of 70 respondents participated in this study, representing accommodation managers, supervisors, and owners. The sampling method employed is non-probability sampling, specifically using a purposive sampling technique. Data collection was conducted through a survey method, utilizing questionnaires as the data collection instrument.

Primary data are collected using a structured questionnaire distributed to accommodation providers, including general managers, operations managers, and sustainability managers. These respondents are selected because they possess comprehensive knowledge of supply chain practices and organizational strategies. The questionnaire uses a five-point Likert scale (1 = strongly disagree to 5 = strongly agree) to measure respondents' perceptions of Green Supply Chain Management (GSCM), Sustainable Competitive Advantage (SCA), and Sustainability Performance (SP). Prior to full-scale data collection, a pilot test is conducted to ensure clarity, reliability, and validity of the instrument.

All constructs in this study are measured using reflective indicators adapted from prior validated studies, with modifications to suit the accommodation context. Green Supply Chain Management (GSCM) measured through dimensions such as: green purchasing, eco-friendly operations, supplier environmental collaboration, and waste management and reverse logistics. Sustainable Competitive Advantage (SCA) measured using indicators including: uniqueness of green services, brand reputation, customer loyalty, and difficulty of imitation by competitors. Sustainability Performance measured based on the triple bottom line approach: environmental performance (e.g., energy efficiency, waste reduction), economic performance (e.g., cost savings, profitability), and social performance (e.g., community engagement, employee well-being).

Data Analysis Technique

Data are analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with software such as SmartPLS. This method is chosen due to its suitability for complex models, predictive analysis, and relatively small sample sizes (Hair et al., 2022). The analysis consists of two main stages: Measurement Model Evaluation (Outer Model): Convergent validity (factor loadings > 0.70, AVE > 0.50), Discriminant validity (Fornell-Larcker criterion, HTMT), Reliability (Composite Reliability > 0.70, Cronbach's Alpha > 0.70). Structural Model Evaluation (Inner Model): Path coefficients and significance (bootstrapping), Coefficient of determination (R^2), Effect size (f^2), Predictive relevance (Q^2).

Hypothesis Testing

Hypotheses are tested using bootstrapping procedures in PLS-SEM to assess the significance of path coefficients. A t-value greater than 1.96 (at a 5% significance level) indicates statistical significance.
To test the mediating effect of Sustainable Competitive Advantage, this study follows the indirect effect approach. Mediation is confirmed if: (1) the indirect effect is significant, and (2) the direct effect remains significant (partial mediation) or becomes insignificant (full mediation).

Ethical Considerations

This study ensures that all respondents participate voluntarily and that their responses remain confidential. Data are used solely for academic purposes, and respondents are informed about the objectives of the research prior to participation.

Methodological Contribution

This study contributes methodologically by applying PLS-SEM to examine the mediating role of SCA in the relationship between GSCM and sustainability performance within the accommodation sector in Bali. It also provides a context-specific measurement framework tailored to eco-friendly accommodation, which can be used in future sustainability research.

RESULTS AND DISCUSSION

This study examines the relationships among Green Supply Chain Management (GSCM), Sustainable Competitive Advantage (SCA), and Sustainability Performance (SP) in eco-friendly accommodation in Bali using Partial Least Squares Structural Equation Modeling (PLS-SEM).

Respondent Characteristics

The respondents are predominantly male (66%), with the majority aged between 30–39 years (46%), followed by 40–49 years (24%). Most respondents hold a bachelor's degree (49%) and master's degree (37%), indicating a relatively high level of educational attainment. In terms of job position, the majority are managers (83%), followed by supervisors (11%) and owners (6%). This distribution suggests that the data were obtained from individuals with strong managerial insight and decision-making authority within eco-friendly accommodation businesses.

Table 1. Respondent characteristics

Profile Information	Characteristics	Frequency	Percentage
Gender	Male	45	66%
	Female	25	34%
Age	18-29 years	11	16%
	30-39 years	32	46%
	40-49 years	17	24%
	Over 50 years	10	14%
Education	High school/Vocational school	8	11%
	Bachelor's	34	49%
	Master's	26	37%
	Doctorate	2	3%
Job position	Managers	58	83%
	Supervisors	8	11%
	Owners	4	6%

Source: Author's works (2025)

Measurement Model Evaluation

The measurement model demonstrates strong convergent validity and reliability. All indicator loadings exceed the recommended threshold of 0.70, ranging from 0.827 to 0.971, and are statistically significant ($p < 0.001$). This indicates that all indicators are valid measures of their respective constructs, Green Supply Chain Management (GSCM), Sustainable Competitive Advantage (SCA), and Sustainability Performance (SP).

Construct reliability is also well established. Cronbach's Alpha values range from 0.967 to 0.982, while Composite Reliability values range from 0.973 to 0.986, both exceeding the recommended threshold of 0.70. Furthermore, the Average Variance Extracted (AVE) values for all constructs range from 0.883 to 0.906, indicating strong convergent validity and that each construct explains a substantial portion of variance in its indicators.

Table 2. Outer Loadings

Influence	Original Sample	Samples Mean	P values
GSCM1<-GSCM	0.969	0.969	0.000
GSCM2<-GSCM	0.963	0.963	0.000
GSCM3<-GSCM	0.944	0.943	0.000
GSCM4<-GSCM	0.963	0.963	0.000
GSCM5<-GSCM	0.938	0.938	0.000
GSCM6<-GSCM	0.932	0.931	0.000
GSCM7<-GSCM	0.956	0.957	0.000
SCA1<-SCA	0.827	0.829	0.000
SCA2<-SCA	0.965	0.966	0.000
SCA3<-SCA	0.967	0.968	0.000
SCA4<-SCA	0.966	0.967	0.000
SCA5<-SCA	0.965	0.966	0.000
SP1<-SP	0.900	0.899	0.000
SP2<-SP	0.971	0.970	0.000
SP3<-SP	0.971	0.971	0.000
SP4<-SP	0.958	0.957	0.000
SP5<-SP	0.953	0.953	0.000

Source: Author's works (2025)

Structural Model Evaluation

The structural model results indicate that all hypothesized relationships are positive and statistically significant. First, Green Supply Chain Management has a positive and significant effect on Sustainability Performance (β = 0.2071; p = 0.0430), supporting H1. This finding indicates that the implementation of green supply chain practices contributes directly to improving sustainability outcomes in eco-friendly accommodation.

Table 3. Construct Reliability and Validity

Construct	Cronbach's Alpha	Composite Reliability	AVE
GSCM	0.982	0.986	0.906
SCA	0.974	0.979	0.905
SP	0.967	0.973	0.883

Source: Author's works (2025)

Table 4. Path coefficients

Influence	Original Sample	Samples Mean	P values
GSCM->SP	0.2071	0.212	0.0430
GSCM->SCA	0.7170	0.719	0.0000
SCA->SP	0.3231	0.342	0.0220
GSCM->SCA->SP	0.2321	0.245	0.0260

Source: Author's works (2025)

Second, GSCM has a strong positive and significant effect on Sustainable Competitive Advantage (β = 0.717; p = 0.000), supporting H2. This suggests that GSCM is a critical driver in developing competitive advantage through sustainability-oriented practices. Third, Sustainable Competitive Advantage has a positive and significant effect on Sustainability Performance (β = 0.3231; p = 0.0220), supporting H3. This result confirms that competitive advantage plays an important role in enhancing sustainability performance.

Finally, the mediation analysis shows that Sustainable Competitive Advantage significantly mediates the relationship between GSCM and Sustainability Performance (β = 0.2321; p = 0.0260), supporting H4. This indicates that GSCM influences sustainability performance both directly and indirectly through SCA.

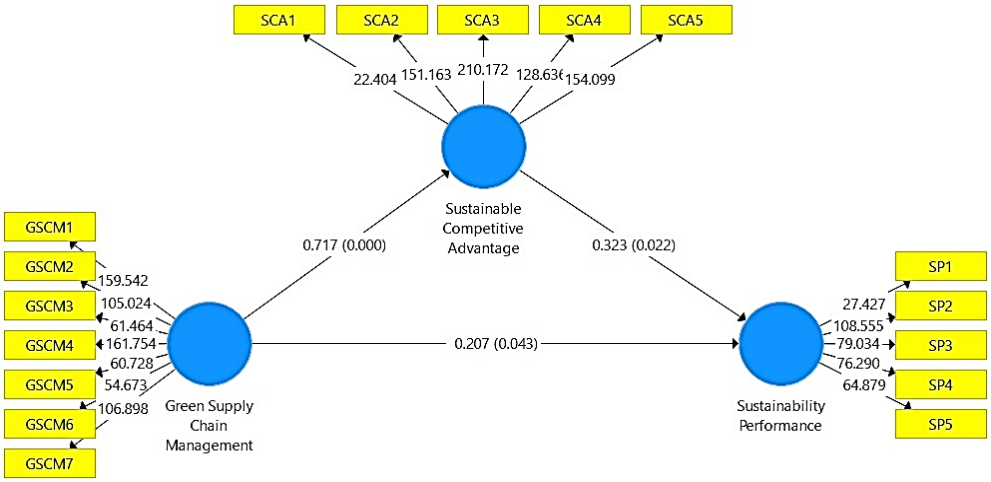


Figure 1. Inferential test results of research data

Discussion

The findings of this study provide strong empirical support for the Resource-Based View (RBV) and Natural Resource-Based View (NRBV), which highlight the importance of internal capabilities in transforming environmental practices into sustainable performance outcomes. The positive and significant effect of Green Supply Chain Management (GSCM) on Sustainability Performance indicates that eco-friendly accommodation providers that implement green practices, such as sustainable sourcing, waste management, and energy efficiency, are able to enhance their environmental, economic, and social performance. These results are consistent with prior studies by Ghaderi et al. (2023) and Aljoghaiman et al. (2024), which also report a positive relationship between GSCM and sustainability performance. However, the relatively moderate coefficient suggests that the direct impact of GSCM may be constrained in the absence of strong strategic capabilities. This finding is in line with Samad et al. (2021), who argue that operational practices alone are insufficient to generate substantial performance improvements.

The strong relationship between GSCM and Sustainable Competitive Advantage highlights the strategic importance of green supply chain practices. In the context of eco-friendly accommodation in Bali, sustainability has become a key differentiating factor in attracting environmentally conscious tourists. Accommodation providers that effectively implement GSCM can enhance their brand reputation, improve customer loyalty, and create unique value propositions that are difficult for competitors to replicate. These results align with previous research by Astawa et al. (2021) and Alsuraihi et al. (2022) on the positive influence of GSCM on company competitive advantage.

Furthermore, the significant influence of Sustainable Competitive Advantage (SCA) on Sustainability Performance strengthens the argument that competitive advantage serves as a critical driver of long-term organizational performance, consistent with the findings of Mehboob and Zaidi (2024). Firms that develop strong sustainability-oriented capabilities are more likely to sustain stable environmental and economic performance over time.

The mediation effect of SCA provides deeper insight into the mechanism through which GSCM influences Sustainability Performance. The results indicate that GSCM not only improves performance directly but also enhances it indirectly by strengthening competitive advantage. This finding supports the NRBV perspective, which emphasizes that environmental capabilities must be strategically embedded within the organization to generate sustainable outcomes.

In the context of eco-friendly accommodation in Bali, this implies that sustainability initiatives should not be treated merely as operational practices, but as strategic investments that contribute to long-term

competitiveness. Accommodation providers that fail to integrate GSCM into their strategic framework may experience limited benefits, despite adopting environmentally friendly practices.

Overall, this study demonstrates that GSCM plays a dual role in enhancing sustainability performance, both as an operational driver and as a strategic enabler through Sustainable Competitive Advantage. These findings provide a more comprehensive understanding of how eco-friendly accommodation providers can achieve sustainable and competitive business performance in an increasingly environmentally conscious tourism industry.

CONCLUSION

Conclusion

This study aims to examine the effect of Green Supply Chain Management (GSCM) on Sustainability Performance, with Sustainable Competitive Advantage (SCA) as a mediating variable, in eco-friendly accommodation in Bali. The empirical findings provide strong support for all proposed hypotheses.

First, GSCM is found to have a positive and significant effect on Sustainability Performance. This indicates that the implementation of green practices, such as sustainable sourcing, waste reduction, and energy efficiency, directly contributes to improving environmental, economic, and social performance. However, the relatively moderate magnitude of the effect suggests that operational practices alone are not sufficient to maximize sustainability outcomes.

Second, GSCM has a strong positive and significant effect on Sustainable Competitive Advantage. This finding highlights that GSCM serves not only as an operational tool but also as a strategic capability that enables accommodation providers to differentiate themselves in a competitive market.

Third, Sustainable Competitive Advantage significantly influences Sustainability Performance. This confirms that firms with stronger strategic capabilities are better positioned to achieve superior sustainability outcomes.

Finally, the results demonstrate that Sustainable Competitive Advantage significantly mediates the relationship between GSCM and Sustainability Performance. This indicates that the impact of GSCM is enhanced when it is effectively transformed into strategic capabilities that support long-term competitiveness.

Overall, this study confirms that GSCM plays a dual role as both a direct operational driver and an indirect strategic enabler through Sustainable Competitive Advantage in improving sustainability performance.

Managerial Implications

The findings of this study provide several important implications for managers of eco-friendly accommodation in Bali. First, managers should recognize that GSCM is not merely an environmental compliance initiative but a strategic resource. The strong relationship between GSCM and Sustainable Competitive Advantage indicates that green practices can be leveraged to build differentiation and long-term competitiveness. Therefore, GSCM should be integrated into the core business strategy rather than treated as a standalone operational activity.

Second, given the significant mediating role of SCA, managers need to focus on transforming GSCM practices into strategic capabilities. This can be achieved by developing sustainability-based branding, enhancing customer experience through eco-friendly services, and strengthening relationships with environmentally responsible suppliers. Such efforts will enable accommodation providers to create value that is difficult for competitors to imitate.

Third, the relatively moderate direct effect of GSCM on Sustainability Performance suggests that managers should not rely solely on operational improvements. Instead, they should adopt a holistic approach that combines operational efficiency with strategic positioning, innovation, and stakeholder engagement.

Fourth, managers should invest in continuous improvement of sustainability practices by adopting green technologies, monitoring environmental performance, and pursuing eco-certifications. These initiatives can enhance credibility, improve customer trust, and strengthen market positioning.

Limitations and Directions for Future Research

This study has several limitations that provide opportunities for future research. First, the use of a cross-sectional design limits the ability to capture dynamic changes over time. Future studies are recommended to adopt longitudinal approaches to better understand the causal relationships and long-term effects of GSCM implementation.

Second, this study focuses on eco-friendly accommodation in Bali, which may limit the generalizability of the findings. Future research should expand the scope to other tourism sectors, such as restaurants, travel agencies, or tourism SMEs, as well as other geographical contexts.

Third, this study examines SCA as the sole mediating variable. Future research could incorporate additional variables, such as digital transformation, environmental innovation, or circular economy practices, to provide a more comprehensive understanding of the mechanisms underlying sustainability performance.

Finally, future studies may also consider moderating variables such as firm size, type of accommodation, and level of environmental commitment to better capture the heterogeneity within the accommodation sector.

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APPENDIX

The construct measurement items used in this study are presented as follows:

A. Green Supply Chain Management (GSCM)
(7 Items)

1) Our accommodation prioritizes the use of environmentally friendly materials and products from suppliers.
2) Our accommodation collaborates with suppliers who are committed to sustainable practices.
3) Our accommodation implements energy efficiency in daily operations (e.g., renewable energy or energy-saving technologies).
4) Our accommodation actively reduces the use of single-use plastics in operations.
5) Our accommodation has an effective waste management system (e.g., recycling or composting).
6) Environmental considerations are integrated into our procurement decisions.
7) Our accommodation regularly evaluates and improves its green supply chain practices.

B. Sustainable Competitive Advantage (SCA)
(5 Items)

1) Our environmentally friendly practices provide a competitive advantage over our competitors.
2) Our accommodation has a strong image as a sustainable service provider.
3) Customers choose our accommodation because of our commitment to sustainability.
4) Our sustainability practices are difficult for competitors to imitate.
5) Our accommodation is able to sustain long-term competitive advantage through sustainability practices.

C. Sustainability Performance
(5 Items)

Environmental Dimension

1) Our accommodation has successfully reduced energy and water consumption in recent years.
2) Our accommodation has successfully reduced the amount of waste generated.

Economic Dimension

3) Environmentally friendly practices help improve operational cost efficiency.

Social Dimension

4) Our accommodation contributes positively to the local community (e.g., local employment or use of local products).
5) Our accommodation enhances customer satisfaction through sustainability practices.