

## Empowering Sustainable Tourism SMEs through Digital Technology to Enhance Global Competitiveness

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### Abstract

*This article explores strategies for empowering Micro, Small, and Medium Enterprises (MSMEs) in sustainable tourism by leveraging digital technology to enhance global competitiveness. Using the case study of DATABAJO CAFFEE in Labuan Bajo, this study analyzes how the integration of local identity with digital marketing and international collaboration, such as through the International Community Service ICSEMA 2025, can overcome resource limitations and market access. The findings show that digitalization not only increases market reach but also strengthens the commitment to sustainability and empowerment of local farmers. The main conclusion is that the synergy between local uniqueness, the use of technology, and the support of the global community constitutes a strategic model for tourism MSMEs to achieve global competitiveness while preserving their cultural values.*

Classification:

Empirical Paper

History: Submitted:

June 27, 2025

Revised:

June 27, 2025

Accepted: June 30,

2025

**Keywords:** *SMEs, Sustainable Tourism, Digitalization, Competitiveness, Innovation*

**Citation:** Ilmawan, Faiz Nuha (2025). Empowering Sustainable Tourism SMEs Through Digital Technology to Enhance Global Competitiveness. *Soedirman Accounting, Auditing, and Public Sector Journal (SAAP)*. 4(1):1-8.

### INTRODUCTION

Tourism is one of the most dynamic and promising business sectors in the world, contributing significantly to global Gross Domestic Product (GDP) and job creation (Foster & Rosenzweig, 2010). In Indonesia, the tourism sector has a vital role in the local and national economies, with a major contribution to the welfare of the community. However, the rapid growth of tourism services also brings major challenges related to sustainability, often leading to unsustainable solutions in the tourism sector (Doktoralina et al., 2025).

The development of purposeful and sustainable tourism is essential, seeking a compromise between the environmental, economic, and social goals of the community. In this context, tourism Micro, Small, and Medium Enterprises (MSMEs) play a strategic role, not only in generating income and creating jobs, but also in preserving culture and strengthening local identity (Surahman & Wang, 2022). Despite this, many tourism MSMEs face serious obstacles, including limited market access, limited resources, and low

adoption of digital technology, which causes their global competitiveness to lag relatively behind (Chiang et al., 2022).

The use of digital technology has proven to be a decisive factor in increasing the competitiveness of tourism MSMEs. Digital transformation, when combined with the right strategy, can significantly contribute to the growth of MSME performance (Chiang et al., 2022). Technology such as online reservation platforms, electronic payments, big data, and tourism management information systems enables MSMEs to improve their operational efficiency and service quality. This approach is strengthened by the concept of smart tourism, which allows for more efficient management of resources, more equitable distribution of benefits, and increased competitiveness of destinations (Hermawati, 2020).

Seeing this urgency, the International Conference on Sustainable Economics, Management, and Accounting (ICSEMA) 2025 in Labuan Bajo will be an important momentum to support local MSMEs. International Community Service activities in this conference provide space for global academics and practitioners to empower digital-based tourism MSMEs. One tangible example of the integration of local values and digital strategies in accessing the global market is DATABAJO CAFFEE: Manggarai Original Coffee.



Figure 1. Owner Databajo Caffee

The DATABAJO CAFFEE case study shows how the local identity of Manggarai coffee, combined with digital marketing, is able to increase global competitiveness. Participation in programs such as ICSEMA 2025 can significantly strengthen the digital literacy of MSMEs and open up opportunities to network the global market, while strengthening sustainability commitments through environmentally friendly practices and support for local farmers.

Therefore, this study aims to explore in depth how international collaboration and the use of digital technology can empower sustainable tourism MSMEs, focusing on the experience of DATABAJO CAFFEE in Labuan Bajo as a strategic model for global competitiveness.

## **METHODOLOGY**

The design of descriptive qualitative research aims to explore the phenomenon in depth in a specific context. Case Studies are used to intensively understand how an entity (e.g., MSMEs) integrates local identities with digital strategies and international collaborations. An example is a case study on DATABAJO CAFFEE MSMEs in Labuan Bajo.

The main purpose of this design is to explore the steps needed to increase digital maturity and understand more deeply the challenges and strategies faced by MSMEs. Descriptive qualitative studies generally focus on specific locations and populations to obtain rich and relevant data. MSME DATABAJO CAFFEE in Labuan Bajo is a local coffee MSME that is the focus of a case study, involving business owners and participants of the International Community Service (ICSEMA 2025).

This descriptive qualitative methodology allows researchers to describe in detail the actual conditions, driving factors, obstacles, and potentials that exist in empowering sustainable tourism MSMEs through digital technology, with an emphasis on an in-depth understanding of the context and experience of the research subjects.

## **RESULT AND DISCUSSION**

### **Result**

The results of field observations at DATABAJO CAFFEE: Kopi Asli Manggarai, Labuan Bajo, revealed several key findings regarding this MSME approach in product image development, operations, digital adoption, and commitment to sustainability:

1. **Local Identity as the Main Strength:** DATABAJO CAFFEE strategically relies on the strength of the local identity of Manggarai coffee in building its product image. This coffee product is not only positioned as a beverage commodity, but also as a representation of local culture that has a unique storytelling that appeals to consumers.
2. **Initial Digital Operations and Initiatives:** Although it still relies on traditional techniques in the coffee processing process, DATABAJO CAFFEE has begun to open itself to digital practices to expand the market. This initial effort is mainly seen through the use of social media and content-based promotion.
3. **Benefits of International Collaboration:** DATABAJO CAFFEE's participation in ICSEMA 2025 International Community Service activities in Labuan Bajo provides significant direct benefits. These MSMEs received in-depth training on digital marketing, especially related to the use of e-commerce platforms and effective visual promotion techniques to target global consumers.
4. **Capacity Building and Business Perspectives:** Interviews with business owners indicate that the training provides a new perspective on the importance of brand consistency, consumer data management, as well as collaboration strategies with other tourism sectors, such as hotels and travel agencies.
5. **Commitment to Sustainability:** The aspect of sustainability is a selling point that DATABAJO CAFFEE is increasingly paying attention to. These MSMEs implement environmentally friendly practices, including the use of environmentally friendly packaging, and actively promote coffee as a local product that supports the welfare of farmers.

Strengthening Position in the Global Market: Overall field observations confirm that the integration of local identity, digitalization, and sustainability is able to strengthen DATABAJO CAFFEE's position in the global market.

## **DISCUSSION**

The findings from the DATABAJO CAFFEE case study provide in-depth insights into how MSMEs in the tourism sector can be empowered, face digitalization challenges, and achieve sustainability. This discussion will relate the results of the research to various conceptual frameworks and findings from other studies.

1. The Relevance of Local Identity and Strategic Digitalization (Resource-Based View)
  - The success of DATABAJO CAFFEE in utilizing Manggarai coffee as a regional superior product and cultural identity strengthens the Resource-Based View (RBV) theory. RBV emphasizes that unique and hard-to-replicate resources, such as the distinctive Manggarai coffee, are the main foundation of competitive advantage (Doktoralina et al., 2025). When these resources are combined with the right digital strategy, they become a powerful capital to enter the global market.
  - This is consistent with the literature that states that empowered MSMEs can diversify products and implement environmentally friendly practices, which in turn supports environmental, community, and economic resilience (Ayu Helena Cornellia et al., 2025). Although many MSMEs still rely on traditional business and distribution methods, DATABAJO CAFFEE's digital initiative shows a progressive direction.
2. The Impact of Digital Technology Adoption (Technology Acceptance Model)
  - This study supports the Technology Acceptance Model (TAM) framework. Interviews show that MSME owners are starting to accept digital technology because of the perceived usefulness in expanding the market and the perceived ease of use of online promotion platforms (Camilli et al., 2024).
  - The use of digital technology in general has been proven to increase the competitiveness of tourism MSMEs, with online reservation platforms, electronic payments, and free Wi-Fi contributing to improved service quality and customer satisfaction.
  - However, other research shows that there is a significant gap in digital literacy and limited access to affordable digital technology for many MSMEs. CAFFEE's DATABAJO experience highlights that relevant training programs and ongoing support can help overcome these barriers.
3. The Crucial Role of Collaboration and Capacity Building
  - The social support factor from the international community (ICSEMA 2025 participants) proved to be an important stimulus to overcome initial doubts in the adoption of technology for DATABAJO CAFFEE. This suggests that cross-country collaboration can facilitate knowledge transfer and accelerate the digitalization process.

- ICSEMA 2025 International Community Service activities in Labuan Bajo effectively bridge the gap between the needs of MSMEs and their digital capabilities. This collaboration model is in line with the findings that leadership, innovation, collaboration, good governance, and capacity building are the main drivers of MSME empowerment.
  - Although the local government acknowledges that there has been support for MSMEs, its implementation can still be optimized, especially in terms of equitable distribution of training and adequate follow-up. DATABAJO CAFFEE's experience emphasizes the need for a more sustainable and measurable empowerment program to achieve long-term impact.
4. Integration of Sustainability in Digital Narratives
- This case study shows that the adoption of technology by DATABAJO CAFFEE not only serves as a marketing tool but also as a means to communicate the sustainability value of products. Digitalization allows narratives about social impact (support for Manggarai coffee farmers) and environmental impact (use of environmentally friendly materials) to be effectively conveyed to global consumers.
  - This is consistent with research that confirms that the integration of digital innovation and sustainability contributes significantly to improving the performance of tourism MSMEs and supporting the achievement of the Sustainable Development Goals (SDGs). Empowered MSMEs tend to engage in eco-friendly practices, waste management, and cultural preservation, all of which contribute to economic resilience and environmental sustainability.
5. Challenges and Wider Implications
- Although CAFFEE DATABAJO shows promising progress, common challenges for MSMEs in coastal areas, including Labuan Bajo, include over-reliance on a single economic resource, low digital literacy, and limited access to capital and markets. This underlines the need for a comprehensive empowerment model such as the "Coastal SME Digitalisation Centre," which serves as a training and incubation centre.
  - The importance of digital leadership is also emphasized in other studies, which show that it positively influences sustainable competitive advantage, green absorption capabilities, and eco-innovation. DATABAJO CAFFEE's experience reflects the role of visionary leaders in driving digital adoption and sustainable practices.
  - It should be noted that, in a broader context, technology in governance and transparency may have limited direct impacts on tourism development. This implies that its effectiveness may be more indirect or require a strategy adjustment to ensure that digitalization focuses not only on marketing but also

on strengthening internal structures and regulations that support MSMEs holistically.

Overall, the DATABAJO CAFFEE case study is a real example of how the synergy between strong local identity, strategic digital technology adoption, and effective international collaboration can empower tourism MSMEs, enhance their global competitiveness, and simultaneously promote sustainability principles. However, this success also highlights the need for more comprehensive and sustainable support for the broader MSME community

## CONCLUSION

Overall, the DATABAJO CAFFEE case is a real example of how the synergy between strong local identity, strategic digital technology adoption, and effective international collaboration can empower tourism MSMEs, enhance their global competitiveness, and simultaneously promote sustainability principles. However, this success also highlights the need for more comprehensive and sustainable support for the broader MSME community in Labuan Bajo.

## ACKNOWLEDGEMENT

In particular, we would like to express our gratitude to all international academics and practitioners involved in the International Community Service ICSEMA 2025 activities in Labuan Bajo. This activity not only provides a collaboration platform but also directly provides digital training and guidance that is very beneficial for local MSMEs. I would also like to express my gratitude to MSME DATABAJO CAFFEE: Kopi Asli Manggarai, in Labuan Bajo, especially to the business owner and his entire team. Their willingness to be a case study and share experiences has provided deep insights into the integration of local identities and digital strategies.

## CONFLICT OF INTEREST

The authors need to declare that there is no conflict of interest related to the writing or publication of this article.

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