



## Tourism Development Based on Entrepreneurship and Digitalization in Banyuwangi Regency

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### **Abstract**

Banyuwangi tourism is a leading sector that continues to be developed. After experiencing setbacks due to Covid, Banyuwangi tourism is experiencing a revival. Currently, the Banyuwangi tourism industry is busy again and is being developed through digitalization by making entrepreneurship-based "smart village tourism" a superior program. This research aims to analyze the actual conditions (existing conditions) of tourism in Banyuwangi villages as a basis for developing "smart tourism villages" based on entrepreneurship. The research method uses a qualitative descriptive approach. Data collection through in-depth interviews and focus group discussions (FGD). Data analysis uses Spradley model domain analysis. The research results show that the villages that are the basis for Banyuwangi tourism development are not sufficient to become "smart tourism villages". Only a few villages lead to "smart tourist villages", one of which is Kemiren Village. Digital literacy and internet use as important prerequisites towards a "smart tourist village" are quite adequate. This village also has a community with a fairly high level of entrepreneurship. So by providing extensive digitalization training, Kemiren can move towards a "smart tourism village".

**Keywords:** *Smart Village Tourism; Entrepreneurship; Digitalization*

### **Introduction**

Banyuwangi tourism is a leading sector that continues to be developed. After experiencing setbacks due to Covid, Banyuwangi tourism is experiencing a revival. Currently, the Banyuwangi tourism industry is busy again and is being developed through digitalization by making entrepreneurship-based "smart village tourism" a superior program. To develop Banyuwangi tourism in the future, various efforts must be made regarding interactions between local residents and tourists, hospitality of residents, tourist guiding skills, and what is no less important is training local residents to have entrepreneurial traits and digitalization skills that can be operated by anyone resident in the tourist village.

The need for entrepreneurship in rural areas is a real need. Smart entrepreneurship is contemporary village development and this can be done realized through "smart tourism villages", by capitalizing on rural resources. To show that the idea of a "smart tourist village" can be an idea for the future, sustainable rural entrepreneurship steps can be taken by: identifying aspects that represent villages from several selected villages in Banyuwangi and becoming a pilot project. and their specific resource utilization from specific aspects.

Addressing the future of several rural areas in Banyuwangi from a tourism perspective, one must consider the minimum conditions required for an area to become a tourist village, compliance with these conditions is actually the premise for ensuring the long-term sustainability of rural tourism activities, but also the rural environment, implicitly from the village itself, namely:

1. Located in a natural place with accessibility, beautiful landscape, without sources of pollution and with the possibility of taking advantage of various holiday activities: rest, sun, fresh air, swimming, water sports, various cultural activities, as well as integration into traditional economic activities;
2. The development of tourist activities must be supported by the development of general infrastructure (water supply, electricity, heating, sewerage, communication lines);
3. The presence of ethno-folkloric traditions and values (architecture, crafts and handicrafts, folklore and folk costumes, ethnographic museums, folklore traditions and customs) that are representative for the area where it is located is a need and an asset at the same time;
4. A high level of quality in equipping households to meet existing classification rules will result in improved living conditions.

Transposing all the aspects mentioned above at the level of the concept of "smart tourism village" it can be said that villages included in the tourism series can—at the same time—become components of several types of tourism products. Smart ecological tourism villages have—and can offer—a variety of useful tourist products simultaneously, or alternatively, the same basic materials and the same tourist attractions (folklore, landscapes, beaches, mountains, spa resources, historical monuments, parks). Transforming rural villages into localities where rural tourism will develop into spaces where all elements of local sustainable development will be built.

Sustainable development and support of the rural environment, through various possibilities, are actual topics in the current context (Masot, A.N, Gascón, J.L.G.2021; Blanco- Gregory, R.; López-Canto, L.E.; Sanagustín-Fons, M.V.; Martínez- Quintana, 2020). Most real rural problems can be solved through coordinated development, so smart development is a necessity in light of the times we live in. Correlating with the current situation (economic crisis, health crisis, layoffs, migration) in the post-Covid 19 pandemic towards a transition to a smart development concept is a challenge that is necessary to adjust the balance between costs that arise immediately and benefits obtained over time. The smart entrepreneurial variant of contemporary village development could be realized in what is called "smart/smart tourist villages" (Adamowicz, M.; Zwolińska-Ligaj, 2018).

Faced with the challenges of tourism development and development in the future, the development of "smart/smart tourist villages" (Smart Village Tourism) can be a tourism alternative in Banyuwangi Regency. Through this research, the next follow-up is to identify and analyze villages in Banyuwangi Regency that have superior tourism potential to be selected and used as community service areas in improving entrepreneurship and technological skills in the management of "smart tourist villages".

## ***Literature Review***

What is a “smart village” and how is it different from a regular village? “Smart Village” is a concept that defines a rural community that is capable of generating innovative solutions embedded in its own development strategy that emphasizes the use of local strengths and opportunities, closely linked to technologists, to support the use of knowledge, advantages and innovative solutions to ensure resilience and raise the bar. lives of local residents and entrepreneurs.

Addressing the future of some rural areas from a tourism perspective, one must consider the minimum conditions required for an area to become a tourist village, compliance with these conditions is actually the premise for ensuring the long-term sustainability of rural tourism activities. Smart tourism villages” come with the possibility of supporting rural economic recovery, using local resources for this purpose and a series of different stages (see Figure 2). This is a sustainable initiative through the fact that the involvement of the entire community is necessary and the development of tourism activities will bring benefits to the entire community and higher attention to resource protection.

The impact of tourism villages on local communities as sustainable entrepreneurs is likely to be maintained in a global context through its broad dimensions, which refer to the characteristics of the locality, such as: its role as a tourist destination, the nature of tourism activities, the population/tourist ratio, the type of tourists, seasonality, etc. In tourist areas, local people experience a series of reactions, due to tourism developments in the area, changing perceptions according to experience.

The tourist visiting season marks the reaction of society through a prominent flow of tourists during peak periods, which is also the reason why local residents' holidays are often set with seasonality in mind. Intrinsic dimensions refer to the characteristics of host community members that influence variations in tourism impacts on their respective communities: level of involvement, economic and social characteristics, proximity to home, length of stay, etc. The relationship between guests and local residents is seen as a balance between costs and benefits.

The level of involvement of individuals and the tourism industry is important to ensure balance, as it influences the extent to which benefits are perceived to outweigh costs. The fact that village tourism can stimulate the development of local communities is an issue that has been agreed upon by experts in the field, but the impact (positive or negative) on village communities varies from village to village.

Therefore, although rural tourism cannot solve all rural environmental disadvantages, it is an opportunity for rural communities to ensure increased income and productivity in the future. The smart village concept provides an answer to the possibility of implementing the concept of sustainable development, but also involves several obstacles to implementation such as: low openness of rural communities to change, low capacity for innovation and low levels of social capital.

## ***Research Method***

This research was designed as descriptive research to explain and describe the actual conditions of the community in Kemiren Banyuwangi village related to technological literacy and community entrepreneurship development as a supporting capacity for tourism development. This research uses an in-depth interview method to collect existing data on Kemiren village relating to two main things, namely first the availability of technological infrastructure in the form of the internet and the availability of human resources (HR) who will operationalize the technology for Kemiren tourism.

Data analysis was carried out using focus group discussions (FGD) to explore various information related to the internet, human resource quality and entrepreneurship in the Kemiren village community. Through FGD, information was obtained which was then sorted according to existing categories, namely the technology category, the HR category and the entrepreneurship category.

## Results and Discussion

Kemiren is the name of a village in Banyuwangi, where this village was made a Traditional Tourism Village by the Banyuwangi government. It has an area of 177,052 hectares with a population of  $\pm$  3000. KEMIREN is an extension of Kemronyok Mikul Real Plan (the principle is together and mutual cooperation). This was initiated by POKDARWIS or the Kemiren village tourism awareness group. Kemiren Village has a unique tourist attraction. This village is inhabited by the native tribe of Banyuwangi City, namely Osing. Kemiren can be said to be the soul of the Osing Tribe in Banyuwangi. This village still adheres to local traditions and culture that they brought from their previous elders.

Kemiren Village has the oldest Gandrung Banyuwangi Maestro who still carries out Gandrung standards to this day, called Gandrung Temu Misti. This village also has the original Barong Art of Osing Banyuwangi which is hundreds of years old and is still believed by local people to be Barong Art which still contains mystical elements.

The specialty of the Kemiren traditional village is that it still maintains the traditions that have existed since their ancestors. The customs that are still carried out in this village include Ider Bumi, Tumpeng Sewu, Selametan Sedekah Lebaran, Mepe Kasur, Nginang, Mudun Lemah, Koloan, Geredoan, AngkatAngakatan, Kawin Colong, Ngeleboni, Bride Procession, and many other customs. which has been successfully preserved and well guarded by the Osing tribe community in Kemiren village.

It is because of these customs that are still maintained and preserved that Kemiren village was inaugurated as an Osing Traditional village starting in 1995, which was ratified directly by the governor of East Java at that time. Then only in 2014 it was made into an Osing Traditional tourist village. And in 2013 the people of Kemiren launched a Ngopi event together with the name "Ngopi ten Ewu".

However, to become a "smart tourist village" (smart village tourism), Kemiren village still has to struggle hard because the development of information and communication technology or internet infrastructure is still inadequate. In Kimiren, the development of information and communication technology infrastructure was carried out by the Banyuwangi Regency Government in collaboration with PT Telkom. Through the corporate social responsibility (CSR) program, PT Telkom together with the Banyuwangi Regency Communication and Information Service built 1000 internet points that can be accessed by the public. One internet point built by PT Telkom is located in Kemiren village.

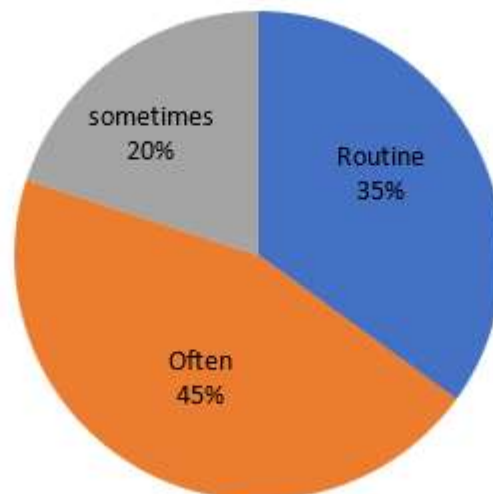


Figure 1. Those who use the internet to promote Kemiren tourism

The information technology infrastructure and technology in the form of internet installed in Kemiren village is at the Kemiren Village office. This is the internet that can be accessed by the public or the Kemiren village community. The internet coverage installed at the village office is very limited, only a

maximum of 10 meters from the village office. So that only people living around the village office can access the internet for free. Even that is very limited because it has to be "combated" between internet users.

The rest of the Kemiren village community can access the internet via a paid private network. The availability of information technology infrastructure in the form of limited and free internet means that people are limited in surfing via the internet so that the number of people who have technological literacy is no more than 10% of the population of Kemiren Village, which is around 3000 people.

The results of an interview with the head of Kemiren village, Arifin, illustrate that the development of free internet availability that can be accessed by the public is limited due to the village budget allocation which is still relatively small. Of the village funds of more than 2 billion, not 10% is specifically for technological infrastructure development (Interview with Kemiren Village Head, Arifin, 5 June 2023). Meanwhile, according to the Kemiren Village Tourism Awareness Group (Pokdarwis), building a free internet network that can be accessed by all Kemiren residents is not cheap. So to make Kemiren a "smart village" still requires extra effort. The free internet at the Kemiren Village office is used as an effort to digitize bureaucratic services. The features on the Kemiren Village website only contain bureaucratic services, not for other service needs. So the potential of Kemiren village, including entrepreneurship, cannot be informed by the village itself, but Kemiren entrepreneurship and tourism are more "marketed" by the Banyuwangi Regency Culture and Tourism Office.

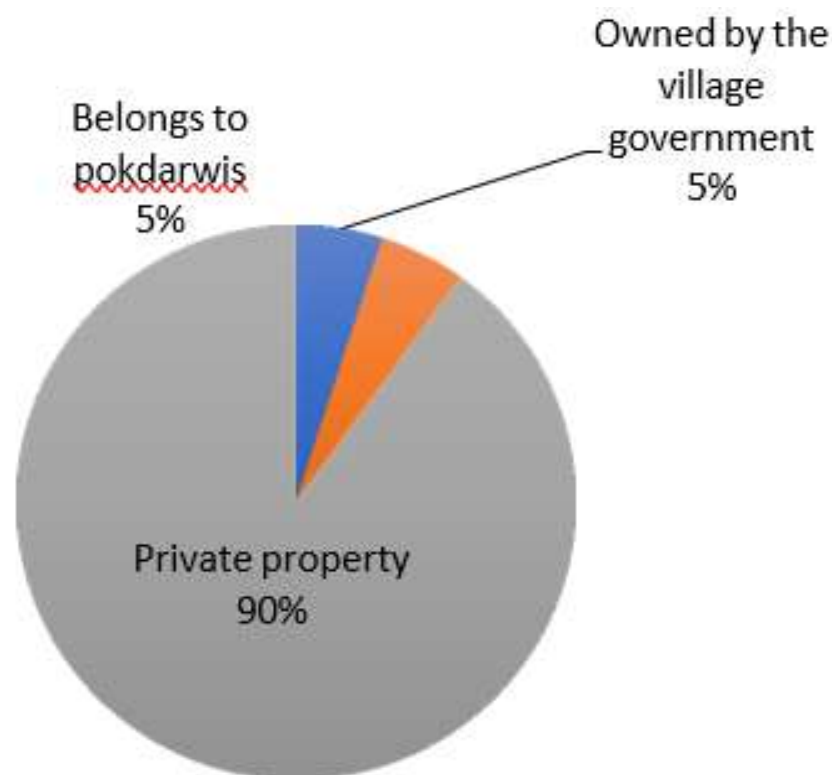


Figure 2. number of internet which are available

The limited availability of technological infrastructure in the form of internet in Kemiren village means that the technological literacy of the community is also low, so that not many people know about the "smart village" launched by the Banyuwangi Regency Government. Only around 10% of the population, that's the younger generation, only know about the existence of the "smart village" program.

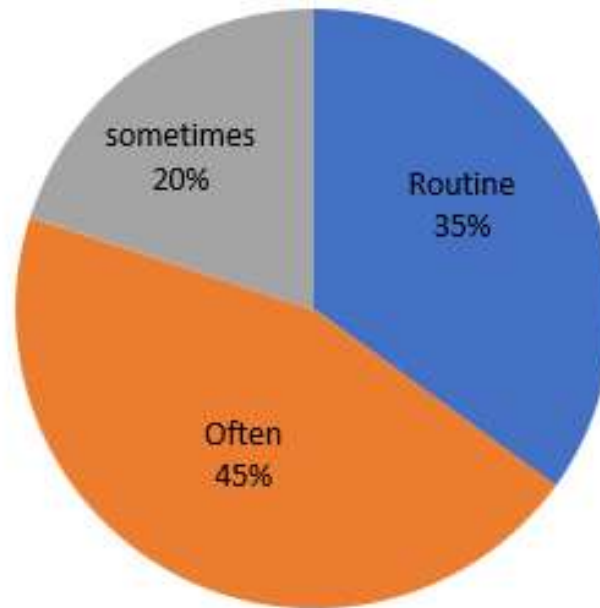


Figure 3. Those who use the internet to promote Kemiren tourism

In fact, this village has quite high levels of entrepreneurship which is manifested in the "Kampoeng Market". The people of Kemirien village actually have high levels of entrepreneurship, manifested in people's economic bazaar activities. People's economic market/bazaar activities indicate that entrepreneurship is developing in the Kemiren community.

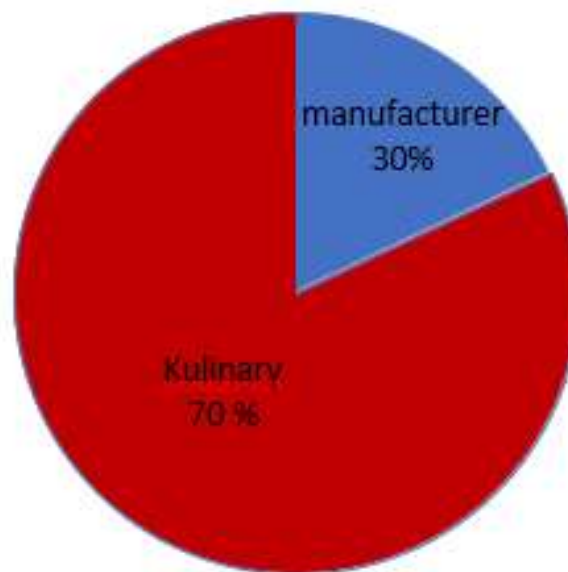


Figure 4. The number of traders who usually participate in the Sunday morning market

So far, Kemiren is known as a tourist village based on cultural and religious traditions. The introduction and preservation of cultural and religious customs is the main menu of tourism in Kemiren. In order to further increase tourist arrivals to Kemiren at once improving the village economy, the economic potential of Kemiren village should be packaged as a tourist attraction that needs to be presented.

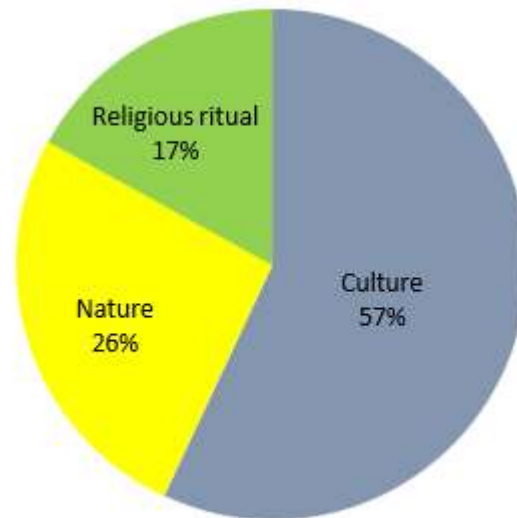


Figure 5. Tourist attractions marketed through the network

Apart from agriculture, the economic activities of Kemiren village need to be based on community entrepreneurship which currently provides culinary delights and local markets. Famous culinary delights in Aini include pecel pithik and the market, which every eight days is a people's bazaar held in the village alleys.

This people's economic bazaar sells various goods needed by the community and is a typical Kemiren product. This people's economic bazaar is held every Sunday in a narrow alley which is the heart of Kemiren village. This traditional market is held to attract tourists and is known as "kampoeng osing market". This market, which contains various traditional snacks, is held every Sunday morning, located in an alley right next to the Kemiren Village Office. Starting from 6 o'clock and ending around 10 am or until the merchandise runs out, this market always attracts the interest of culinary fans. Not only local people, but also tourists from cities, even other countries. What's interesting about this snack market, which was founded several years ago?

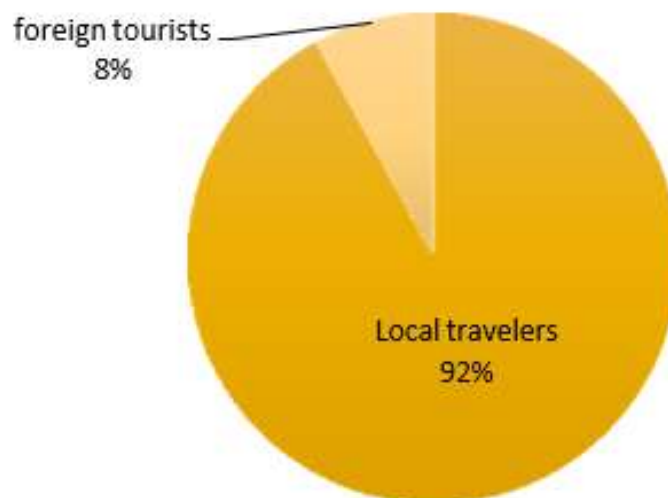


Figure 6. Number of tourist visiting Kemiren Village in 2022

Kampoeng Osing Market is held along an alley that is not too wide. What's unique here is that the selling women wear Osing tribe clothing, namely black kebaya tops and batik jarit bottoms. In the middle

of the market, there was a group of grandparents playing Gedogan, a musical instrument using a rice pestle combined with a simple bamboo angklung. The music really makes you enjoy shopping for food and drinks at this market even more.

Not only that, the language and Osing dialect they speak are also interesting to listen to. However, they can also use Indonesian. Of course, they still use the typical Osing dialect. What about the snacks and food being sold? Everything they sell definitely makes visitors want to buy more than just one or two types. Apart from its appetizing appearance, you rarely find most of the snacks and food sold here in big restaurants, and of course at very affordable prices. Various traditional Kemiren snacks include kucur, pecel pithik, clorot, cotton candy, and others. At Kampoeng Kemiren Market you will easily find several traditional market snacks such as Cenil, Horog-horog made from rice flour, Lanun black market snacks, Lupis, Klepon, Clorot, a sweet cone-shaped cake made from brown sugar wrapped in coconut leaves, and other snacks. Other traditional ones such as Kucur cake which tastes delicious when eaten warm.

Not only that, there is also a traditional snack called Tape Ketot. Different from other places, tape ketan in Kemiren Village is served wrapped in candlenut leaves and eaten together with ketot or jadah made from sticky rice. Usually at the end of the alley, you can also find a lady selling cotton candy. Not today's cotton candy, but old school cotton candy made from thick brown sugar. What's interesting is that the majority of market snacks here are priced at less than five thousand rupiah. Really affordable.

For those looking for breakfast, don't be discouraged. This market also serves heavy food that is suitable for breakfast. There is Nasi Tempong, which consists of boiled vegetables, side dishes and chili sauce. There is Ayam Lodho which has coconut milk with slices of lontong. There is Sate Kola Tau Keong Sawah which is deliciously chewy. There is also Sego Cawuk, a typical Banyuwangi culinary dish which is usually used as a breakfast menu, namely rice doused with pindang sauce mixed with grated coconut and roasted corn shavings. Served with several side dishes such as sea fish paste and basil chili sauce. Apart from that, there is a culinary specialty of Kemiren too, called Pecel Pitik. This menu is a typical menu from Kemiren Village which is usually served when there is a village celebration event. Kampung Chicken is grilled in a stove, grilled, then battered with seasoned grated coconut. It tastes delicious with a slight spicy sensation that comes from the chili sauce mixed with the grated coconut.

This Kampoeng market is held every week throughout the year. During the month of Ramadan, Kampoeng Osing Kemiren Market remains open at different times. Now, it is held every Saturday and Sunday, starting at 3 pm until just before the time to break the fast. The benefit of entrepreneurship in Kemiren is not only in household economic, but also in Banyuwangi residence

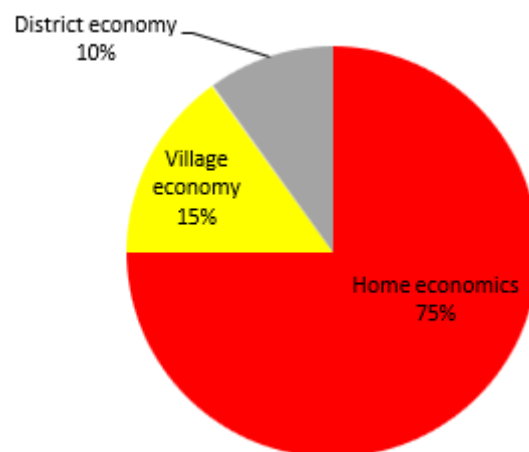


Figure 7. Network benefits for economic development

## Conclusion

**Banyuwangi Tourism Recovery and Growth:** After setbacks caused by the Covid pandemic, Banyuwangi's tourism sector is recovering and actively being developed once again. **Focus on Digitalization and Entrepreneurship:** The tourism development strategy emphasizes creating "smart village tourism" grounded in entrepreneurship and digitalization. This approach aims to modernize and enhance the tourism experience while empowering local communities. **Current Conditions of Tourism Villages:** Many tourism villages in Banyuwangi currently do not meet the criteria to become "smart tourism villages." Only a few, such as Kemiren Village, show promising characteristics in terms of digital literacy, internet access, and entrepreneurial spirit. **Role of Digital Literacy and Entrepreneurship:** Digital skills and entrepreneurship among local residents are critical prerequisites for the successful transformation into smart tourism villages. **Need for Training and Development:** Expanding digitalization training and entrepreneurship development programs for residents, especially in villages like Kemiren, is essential to advance towards a sustainable and competitive smart tourism model. **Community Engagement and Skill Development:** Besides digitalization and entrepreneurship, improving the hospitality of residents, tourist guiding skills, and interaction between locals and tourists are important elements for tourism development.

In summary, the article highlights that while Banyuwangi tourism is poised for growth through digitalization and entrepreneurship, achieving a fully developed "smart tourism village" status requires targeted training, capacity building, and infrastructure development at the village level. Kemiren Village serves as a leading example that with adequate support, local communities can successfully transition toward smart village tourism.

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