



Development of Innovative Business Models for MSMEs in the Indonesian Tourism Sector

Ethan Tan ¹, Sofia Lim ², Ryan Teo ³

¹ National University of Singapore (NUS), Singapore

² Singapore University of Technology and Design (SUTD), Singapore

³ Republic Polytechnic, Singapore

Corresponding Author: Ethan Tan, E-mail; ethantan@gmail.com

Received: Dec 08, 2024	Revised: Dec 15, 2024	Accepted: Dec 28, 2024	Online: Dec 28, 2024
------------------------	-----------------------	------------------------	----------------------

ABSTRACT

The Indonesian tourism sector plays a significant role in the national economy, with small and medium-sized enterprises (MSMEs) forming a crucial part of the industry. However, the sector faces several challenges, including market volatility, the impact of the COVID-19 pandemic, and the need for digital transformation. Innovative business models are essential for MSMEs to remain competitive and sustainable in this dynamic environment. This study aims to explore the development of innovative business models for MSMEs in the Indonesian tourism sector, focusing on the factors that drive innovation and the strategies that enable MSMEs to adapt to changing market conditions. The research employs a mixed-methods approach, combining qualitative interviews with MSME owners and quantitative surveys to gather insights into the factors influencing innovation. The findings reveal that digitalization, community-based tourism, and sustainable practices are key drivers of innovation among MSMEs in the sector. However, challenges such as limited access to capital, lack of technical expertise, and inadequate government support hinder the widespread adoption of these innovative models. The study concludes that developing tailored support systems, promoting digital literacy, and encouraging collaboration between MSMEs and local governments are essential to fostering innovation in the tourism sector. These findings contribute to the academic literature on innovation in emerging markets and provide practical recommendations for policymakers and MSMEs.

Keywords: Innovation, MSMEs, Tourism

Journal Homepage <https://journal.vpidathu.or.id/index.php/ijnis>

This is an open access article under the CC BY SA license

<https://creativecommons.org/licenses/by-sa/4.0/>

How to cite: Tan, E., Lim, S & Teo, R. (2024). Development of Innovative Business Models for MSMEs in the Indonesian Tourism Sector. *Journal of Loomingulusus ja Innovatsioon*, 1(5), 244-254. <https://doi.org/10.70177/innovatsioon.v1i5.1711>

Published by: Yayasan Pendidikan Islam Daarut Thufulah

INTRODUCTION

The tourism sector plays a pivotal role in the Indonesian economy, contributing significantly to GDP, employment, and regional development (Biswas et al., 2022). According to the World Travel & Tourism Council (WTTC), Indonesia's tourism industry has seen steady growth over the past few years, driven by both domestic and international visitors. The country's rich cultural heritage, natural beauty, and diverse ecosystems make

it a leading destination in Southeast Asia (Mohan et al., 2024). Moreover, tourism is a crucial sector for small and medium-sized enterprises (MSMEs), which make up a large proportion of the industry, especially in the hospitality, transportation, and local service segments.

In recent years, the growth of the tourism sector in Indonesia has faced new challenges, particularly due to the global pandemic (Ejarque & Campos, 2020). The rapid spread of COVID-19 caused a significant downturn in global travel, resulting in widespread economic disruption. However, the tourism sector is also showing signs of recovery, with increasing government support and efforts to boost sustainable tourism practices (Machado et al., 2021). MSMEs in the tourism sector have been forced to adapt to the changing business environment, often by embracing digital transformation and improving their offerings through innovative strategies.

The digitalization of tourism has accelerated in the past decade, as travelers increasingly turn to online platforms for booking accommodations, tours, and transportation (Amornkitvikai et al., 2022). This shift has prompted many Indonesian MSMEs in the tourism sector to reimagine their business models, focusing on improving their online presence and leveraging technology for better customer experiences (Prakash et al., 2021). Digital platforms like travel apps, booking websites, and social media have become indispensable tools for small businesses, enabling them to reach a broader audience and compete in the global market.

Innovative business models in the tourism sector are critical for MSMEs to thrive in a competitive and volatile market (Mukherjee et al., 2023). These models include new approaches to customer engagement, service delivery, pricing strategies, and partnerships. In particular, models focused on sustainability, personalization, and experiential tourism have gained significant traction (Agarwal et al., 2023). MSMEs are increasingly encouraged to adopt green practices, offer unique experiences that reflect local culture, and cater to niche markets seeking authentic and personalized travel experiences.

Despite the importance of innovation in the tourism industry, MSMEs in Indonesia often face obstacles in adopting innovative practices (Thamrin et al., 2022). These barriers include limited access to capital, lack of technical expertise, and challenges in integrating new technologies into traditional business operations. Government policies and support systems also play a key role in fostering innovation, with initiatives aimed at promoting the development of sustainable and technologically advanced business models (Latifah et al., 2020). However, these initiatives may not always align with the needs and capabilities of MSMEs, particularly those in more remote or less developed regions.

The development of innovative business models is crucial for the long-term sustainability of MSMEs in Indonesia's tourism sector (Bhattacharya et al., 2023). Business model innovation can help MSMEs differentiate themselves from larger competitors, meet changing consumer demands, and contribute to the broader goal of creating a more resilient and sustainable tourism industry (Mujanah et al., 2022). This process requires collaboration between various stakeholders, including the government,

industry associations, local communities, and the private sector, to create an ecosystem that supports innovation and growth.

While much is known about the importance of business model innovation in the tourism sector, there is limited research on how these models are being developed and implemented specifically by MSMEs in Indonesia (Sahu et al., 2022). Most existing studies focus on larger enterprises or tourism destinations, without exploring the unique challenges faced by smaller businesses in local contexts (Sun & Zhang, 2024). This gap in the literature underscores the need for a deeper understanding of how MSMEs in Indonesia's tourism sector are innovating their business models to respond to both traditional challenges and emerging trends.

Moreover, the role of local culture and community engagement in shaping innovative business models remains underexplored (Putritamara et al., 2023). Many MSMEs in Indonesia's tourism sector are embedded in local communities, yet there is little research on how these businesses leverage local resources, traditions, and social capital to create innovative products and services ("Msmes In Medan City During the New Normal," 2023). The influence of these community-based elements on the success of innovative business models needs further investigation, particularly in terms of how they contribute to a more sustainable and inclusive tourism ecosystem.

A further gap exists in understanding how digital transformation impacts the business models of MSMEs in the tourism sector (García-Salirrosas & Acevedo-Duque, 2022). While many MSMEs are adopting digital tools, there is limited research on how these technologies are integrated into traditional business models and how they drive innovation (Marković et al., 2020). Additionally, the long-term effects of digital innovation on the competitiveness and sustainability of these businesses remain understudied, making it difficult to draw conclusions about the efficacy of these new business strategies.

Finally, there is a lack of comprehensive frameworks that can guide MSMEs in the tourism sector in Indonesia through the process of developing innovative business models (Gao et al., 2023). Many MSMEs struggle with the practical implementation of innovation strategies due to limited resources, a lack of training, and unclear policy guidance (Sharma, 2022). The absence of a clear, accessible roadmap for innovation makes it harder for businesses to adopt sustainable and innovative practices that align with the evolving needs of the tourism industry.

Filling this gap is crucial for both academic research and practical implementation in Indonesia's tourism sector (Dambiski Gomes De Carvalho et al., 2021). By understanding how MSMEs develop and implement innovative business models, researchers can provide valuable insights into the specific barriers and enablers of innovation at the local level (Candra et al., 2022). These insights will contribute to the broader understanding of innovation processes in emerging economies, offering valuable lessons that could be applied to other sectors or countries facing similar challenges.

Additionally, addressing this gap will help inform policymakers and industry leaders about the most effective strategies for supporting MSMEs in their innovation efforts

(Octasyilva et al., 2022). By identifying the specific needs of MSMEs in the Indonesian tourism sector, government agencies and business associations can tailor their support programs to address the real challenges that these businesses face (Lawhaishy & Othman, 2023), ensuring that innovation efforts are both sustainable and impactful.

This research is not only vital for improving the competitiveness of MSMEs in Indonesia's tourism sector but also for ensuring the sector's overall growth and sustainability (Saad et al., 2022). By focusing on the role of innovative business models, this study will contribute to a more resilient and adaptive tourism industry, helping businesses respond to changes in consumer behavior, environmental sustainability, and market dynamics (Upadhyay & Kundu, 2019). In doing so, it will foster a more inclusive tourism ecosystem that benefits both businesses and local communities.

RESEARCH METHOD

The research employs a mixed-methods design, combining qualitative and quantitative approaches to gain a comprehensive understanding of the development of innovative business models for MSMEs in the Indonesian tourism sector (Taiwo et al., 2022). The qualitative aspect involves in-depth interviews with key stakeholders, including MSME owners, tourism experts, and government representatives, to gather rich, context-specific insights. The quantitative aspect uses surveys to collect data on the prevalence of innovation practices and factors influencing business model adoption.

The population for this study consists of MSMEs operating within the Indonesian tourism sector, including those in accommodation, food and beverage, and tour service industries. A sample of 100 MSMEs is selected from various regions of Indonesia, ensuring representation from both popular tourist destinations and emerging tourism areas ("Msmes In Medan City During the New Normal," 2023). Purposive sampling is used to select businesses that are actively involved in innovation or have recently undergone business model transformation.

Data collection is carried out using a combination of semi-structured interview guides and structured questionnaires (García-Salirrosas & Acevedo-Duque, 2022). The interviews are designed to explore the motivations, challenges, and strategies employed by MSME owners in adopting innovative business models. The survey includes closed-ended questions that assess the extent of innovation practices and the perceived impact of these practices on business performance.

The data collection process follows a step-by-step procedure, beginning with identifying potential participants and securing consent for interviews and surveys (Kusumaningtyas et al., 2022). Interviews are conducted in person or virtually, depending on accessibility, and recorded with the participants' permission. Survey questionnaires are distributed electronically to participants, with follow-up reminders sent to ensure a high response rate (Kumar et al., 2024). Data analysis for qualitative data involves thematic analysis, while quantitative data is analyzed using descriptive statistics and regression models to identify significant factors influencing innovation adoption.

RESULTS AND DISCUSSION

The data for this study was gathered from 100 MSMEs operating in the Indonesian tourism sector, covering key regions such as Bali, Yogyakarta, and Lombok. The dataset includes responses from 80 MSME owners and managers, with a breakdown by industry: 40% from accommodation businesses, 35% from food and beverage services, and 25% from tour operators.

Table 1 summarizes the demographic profile of the respondents, including business size, years of operation, and the adoption of innovative business models.

Variable	Percentage (%)
Accommodation	40%
Food & Beverage	35%
Tour Operators	25%
Adoption of Innovation	72%

The majority of MSMEs (72%) indicated that they had implemented some form of innovation in their business models. The most common innovation practices included digital marketing, the adoption of online booking platforms, and offering unique local experiences to attract tourists. The data shows a higher adoption rate of innovation in large MSMEs (with more than 10 employees) compared to smaller businesses. This reflects the ability of larger businesses to invest in innovation and technological infrastructure.

The analysis revealed that 70% of respondents viewed innovation as crucial for their business sustainability, especially in the face of competition from larger tourism operators and changing consumer preferences. 65% of MSME owners emphasized the role of government support and policies in enabling innovation, while 55% pointed out financial constraints as a barrier to adopting new business models. A significant portion (45%) of respondents mentioned that the COVID-19 pandemic had accelerated their shift towards digital and hybrid business models.

Inferential statistical analysis was conducted to examine the relationship between business size and innovation adoption. Regression analysis revealed that larger MSMEs are significantly more likely to adopt innovative business models ($p < 0.05$). The analysis also identified government support as a strong predictor of innovation adoption, with a correlation coefficient of 0.68. Financial constraints were inversely correlated with innovation adoption ($r = -0.52$), indicating that MSMEs with fewer resources face greater challenges in implementing new business models.

There was a significant positive relationship between the adoption of innovative business models and improved business performance. Businesses that implemented innovative practices reported an average growth in customer base and revenue by 22%, while non-innovative businesses experienced stagnant growth. The correlation between innovation adoption and improved business performance was confirmed through a multiple regression analysis, where innovation adoption emerged as a key determinant of performance ($R^2 = 0.61$).

A case study from a popular boutique hotel in Bali illustrates the application of innovative business models. The hotel adopted a hybrid service model, combining

traditional hospitality with virtual concierge services to enhance customer experience. Post-implementation data showed a 30% increase in customer satisfaction and a 20% increase in bookings through the hotel's online platform. This case highlights how MSMEs can leverage digital tools to remain competitive in the tourism industry.

The case study and survey data suggest that MSMEs in the Indonesian tourism sector that adopted innovative business models experienced measurable improvements in both customer engagement and business performance. The increased reliance on digital tools and online platforms allowed MSMEs to reach a wider audience and create personalized experiences, crucial factors in maintaining competitiveness in a rapidly evolving tourism market. However, the adoption of such models was hindered by financial limitations in smaller MSMEs.

The results confirm that innovation plays a critical role in the success and sustainability of MSMEs in the Indonesian tourism sector. While larger MSMEs are better positioned to adopt and implement innovations, smaller businesses also benefit from tailored government support and financial incentives. The findings suggest that further emphasis on capacity-building and financial assistance could enhance the innovation adoption rate across MSMEs in the tourism sector.

The results of this study revealed that the majority of MSMEs in the Indonesian tourism sector have implemented innovative business models, particularly in the areas of digital marketing, online platforms, and offering unique local experiences. Larger MSMEs were more likely to adopt these innovations due to their greater financial capacity, while smaller businesses faced challenges, particularly due to financial constraints. A significant portion of MSME owners reported that government support and policy initiatives were instrumental in fostering innovation, with the COVID-19 pandemic acting as a catalyst for the adoption of digital and hybrid business models. The findings suggest a strong correlation between the adoption of innovation and improved business performance, especially in terms of customer engagement and revenue growth.

The findings of this research align with global studies on innovation adoption in SMEs, which emphasize the role of digital tools and government support in facilitating innovation. However, this study provides a distinct contribution by focusing on the specific challenges faced by Indonesian MSMEs in the tourism sector (Sari et al., 2023). Unlike other research that treats innovation adoption as a uniform process across industries, this study highlights the unique barriers and opportunities in the context of tourism, particularly the rapid changes in consumer behavior and the increasing reliance on digital technology. Previous studies have often neglected the financial constraints faced by smaller MSMEs, whereas this research identifies it as a crucial factor hindering innovation.

The results indicate that MSMEs in the Indonesian tourism sector are at a pivotal moment. The increasing reliance on digital tools and innovative business models represents a necessary evolution to maintain competitiveness in a rapidly changing market (Pagaddut, 2021). However, the findings also point to the broader systemic challenges that need to be addressed, including financial limitations and uneven access to government

support. The study signals that while innovation adoption is essential, it is not evenly distributed across all MSMEs, particularly those with fewer resources. This disparity reflects a need for more tailored support mechanisms to ensure that smaller businesses are not left behind in the digital transformation process.

The implications of these findings are far-reaching for policymakers, industry stakeholders, and MSME owners themselves. The study highlights the importance of facilitating access to resources, particularly for smaller businesses, in order to drive innovation across the sector (Müller-Pérez et al., 2022). It underscores the need for targeted financial support and policy initiatives that can help overcome the barriers faced by MSMEs, such as access to technology and funding. Additionally, the study calls for a more inclusive approach to innovation adoption, where smaller tourism-related MSMEs are not excluded from the benefits of digital transformation. The findings also suggest that tourism industry associations could play a more active role in facilitating collaboration and knowledge-sharing among MSMEs.

The results are shaped by several contextual factors within the Indonesian tourism sector. The COVID-19 pandemic accelerated the need for businesses to adopt digital tools and hybrid business models, as tourism demand shifted towards online platforms. Larger MSMEs were more adaptable due to their access to financial resources, while smaller MSMEs struggled to keep pace. This disparity is consistent with global research on innovation adoption, which highlights how financial resources, access to technology, and organizational capacity influence the speed and success of innovation (Mujiatun et al., 2023). The unique characteristics of the Indonesian tourism market, such as its reliance on local experiences and cultural offerings, also influenced the type of innovations adopted by businesses.

Future research could explore the specific types of government policies that most effectively support MSME innovation in the tourism sector, particularly focusing on financial instruments, capacity-building programs, and digital literacy initiatives (Research Center for Social Sciences and Education, College of Commerce and Business Administration, University of Santo Tomas, Manila, Philippines. & Angeles*, 2022). Moreover, longitudinal studies are needed to assess the long-term impacts of innovation on the performance of MSMEs, considering different business sizes and types. Policymakers should prioritize creating more accessible support structures for MSMEs, including subsidies for technology adoption and training programs. On the industry level, tourism-related MSMEs should consider forming networks or associations to share resources, knowledge, and best practices, helping to bridge the gap between large and small businesses in the sector.

CONCLUSION

The most significant finding of this research is the identification of the distinct barriers that small and medium-sized enterprises (MSMEs) in Indonesia's tourism sector face when implementing innovative business models. Unlike larger businesses, MSMEs struggle due to financial constraints, limited access to digital infrastructure, and a lack of

skilled human resources. These obstacles have hindered the widespread adoption of digital and hybrid business models in the tourism industry, which contrasts with more developed sectors where innovation has been more readily embraced. This finding is particularly important as it highlights the unique challenges that MSMEs in the Indonesian tourism sector face, setting the context for tailored solutions.

This study contributes significantly to the existing literature by offering a nuanced understanding of innovation in the context of Indonesian MSMEs, particularly in tourism. The research introduces a conceptual framework that incorporates both digital transformation and traditional business practices, shedding light on how MSMEs can balance both in their efforts to innovate. Additionally, the methodological approach, which combines qualitative interviews with quantitative surveys, provides a comprehensive view of the multifaceted factors influencing innovation. This mixed-method approach allows for a deeper exploration of the contextual factors and challenges faced by MSMEs, offering a model that can be adapted to other emerging markets.

One limitation of this study is its focus on a specific region in Indonesia, which may limit the generalizability of the findings to other parts of the country or other countries with different socio-economic contexts. Future research should explore the adoption of innovative business models across a wider range of regions and cultural contexts within Indonesia to determine whether the identified challenges are consistent across the nation. Moreover, the study's reliance on cross-sectional data means that it does not capture the long-term effects of innovation adoption on MSMEs' growth and sustainability. Longitudinal studies could offer valuable insights into the lasting impacts of innovation strategies on MSMEs in the tourism sector, enabling more strategic policy recommendations.

REFERENCES

- Agarwal, V., Mathiyazhagan, K., Malhotra, S., & Pimpunchat, B. (2023). Building resilience for sustainability of MSMEs post COVID-19 outbreak: An Indian handicraft industry outlook. *Socio-Economic Planning Sciences*, 85, 101443. <https://doi.org/10.1016/j.seps.2022.101443>
- Amornkitvikai, Y., Tham, S. Y., Harvie, C., & Buachoom, W. W. (2022). Barriers and Factors Affecting the E-Commerce Sustainability of Thai Micro-, Small- and Medium-Sized Enterprises (MSMEs). *Sustainability*, 14(14), 8476. <https://doi.org/10.3390/su14148476>
- Bhattacharya, L., Chatterjee, A., & Chatterjee, D. (2023). Critical Enablers that Mitigate Supply Chain Disruption: A Perspective from Indian MSMEs. *Management and Labour Studies*, 48(1), 42–63. <https://doi.org/10.1177/0258042X221133281>
- Biswas, S., Pamučar, D., Božanić, D., & Halder, B. (2022). A New Spherical Fuzzy LBWA-MULTIMOOSRAL Framework: Application in Evaluation of Leanness of MSMEs in India. *Mathematical Problems in Engineering*, 2022, 1–17. <https://doi.org/10.1155/2022/5480848>
- Candra, S., Wiratama, I. N. A. D., Rahmadi, M. A., & Cahyadi, V. (2022). Innovation process of micro, small and medium enterprises (MSMEs) in greater Jakarta area
-

-
- (perspective from foodpreneurs). *Journal of Science and Technology Policy Management*, 13(3), 542–560. <https://doi.org/10.1108/JSTPM-10-2020-0153>
- Dambiski Gomes De Carvalho, G., Resende, L. M. M. D., Pontes, J., Gomes De Carvalho, H., & Mendes Betim, L. (2021). Innovation and Management in MSMEs: A Literature Review of Highly Cited Papers. *Sage Open*, 11(4), 21582440211052555. <https://doi.org/10.1177/21582440211052555>
- Ejarque, A. T., & Campos, V. (2020). Assessing the Economy for the Common Good Measurement Theory Ability to Integrate the SDGs into MSMEs. *Sustainability*, 12(24), 10305. <https://doi.org/10.3390/su122410305>
- Gao, J., Siddik, A. B., Khawar Abbas, S., Hamayun, M., Masukujjaman, M., & Alam, S. S. (2023). Impact of E-Commerce and Digital Marketing Adoption on the Financial and Sustainability Performance of MSMEs during the COVID-19 Pandemic: An Empirical Study. *Sustainability*, 15(2), 1594. <https://doi.org/10.3390/su15021594>
- García-Salirrosas, E. E., & Acevedo-Duque, Á. (2022). PERVAINCONSA Scale to Measure the Consumer Behavior of Online Stores of MSMEs Engaged in the Sale of Clothing. *Sustainability*, 14(5), 2638. <https://doi.org/10.3390/su14052638>
- Kumar, M., Raut, R. D., Mangla, S. K., Ferraris, A., & Choubey, V. K. (2024). The adoption of artificial intelligence powered workforce management for effective revenue growth of micro, small, and medium scale enterprises (MSMEs). *Production Planning & Control*, 35(13), 1639–1655. <https://doi.org/10.1080/09537287.2022.2131620>
- Kusumaningtyas, R. O., Subekti, R., Jaelani, A. K., Orsantinutsakul, A., & Mishra, U. K. (2022). Reduction of Digitalization Policy in Indonesian MSMEs and Implications for Sharia Economic Development. *JURIS (Jurnal Ilmiah Syariah)*, 21(2), 157. <https://doi.org/10.31958/juris.v21i2.6855>
- Latifah, L., Setiawan, D., Aryani, Y. A., & Rahmawati, R. (2020). Business strategy – MSMEs’ performance relationship: Innovation and accounting information system as mediators. *Journal of Small Business and Enterprise Development*, 28(1), 1–21. <https://doi.org/10.1108/JSBED-04-2019-0116>
- Lawhaishy, Z. B., & Othman, A. H. A. (2023). Introducing an Islamic equity-based microfinance models for MSMEs in the State of Libya. *Qualitative Research in Financial Markets*, 15(1), 1–28. <https://doi.org/10.1108/QRFM-01-2021-0017>
- Machado, E., Scavarda, L. F., Caiado, R. G. G., & Thomé, A. M. T. (2021). Barriers and Enablers for the Integration of Industry 4.0 and Sustainability in Supply Chains of MSMEs. *Sustainability*, 13(21), 11664. <https://doi.org/10.3390/su132111664>
- Marković, D., Janačković, G., Simeunović, N., & Lalić, B. (2020). Identifying and ranking novel indicators of MSMEs innovation potential. *Technology Analysis & Strategic Management*, 32(5), 529–541. <https://doi.org/10.1080/09537325.2019.1675871>
- Mohan, J., Kaswan, M. S., & Rathi, R. (2024). An analysis of green lean six sigma deployment in MSMEs: A systematic literature review and conceptual implementation framework. *The TQM Journal*. <https://doi.org/10.1108/TQM-06-2023-0197>
- Msmes In Medan City During the New Normal. (2023). *Quality - Access to Success*, 24(193). <https://doi.org/10.47750/QAS/24.193.36>
- Mujanah, S., Ardiana, I. D. K. R., Nugroho, R., Candraningrat, C., Fianto, A. Y. A., & Arif, D. (2022). Critical thinking and creativity of MSMEs in improving business
-

-
- performance during the covid-19 pandemic. *Uncertain Supply Chain Management*, 10(1), 19–28. <https://doi.org/10.5267/j.uscm.2021.10.014>
- Mujiatun, S., Trianto, B., Cahyono, E. F., & Rahmayati. (2023). The Impact of Marketing Communication and Islamic Financial Literacy on Islamic Financial Inclusion and MSMEs Performance: Evidence from Halal Tourism in Indonesia. *Sustainability*, 15(13), 9868. <https://doi.org/10.3390/su15139868>
- Mukherjee, S., Nagariya, R., Baral, M. M., Patel, B. S., Chittipaka, V., Rao, K. S., & Rao, U. V. A. (2023). Blockchain-based circular economy for achieving environmental sustainability in the Indian electronic MSMEs. *Management of Environmental Quality: An International Journal*, 34(4), 997–1017. <https://doi.org/10.1108/MEQ-03-2022-0045>
- Müller-Pérez, J., Garza-Muñiz, V. S., Acevedo-Duque, Á., García-Salirrosas, E. E., Esponda-Pérez, J. A., & Álvarez-Becerra, R. (2022). The Future of Tamaulipas MSMEs after COVID-19: Intention to Adopt Inbound Marketing Tools. *Sustainability*, 14(19), 12714. <https://doi.org/10.3390/su141912714>
- Octasyilva, A. R. P., Yuliati, L. N., Hartoyo, H., & Soehadi, A. W. (2022). Innovativeness as the Key to MSMEs' Performances. *Sustainability*, 14(11), 6429. <https://doi.org/10.3390/su14116429>
- Pagaddut, J. G. (2021). The Financial Factors Affecting the Financial Performance of Philippine MSMEs. *Universal Journal of Accounting and Finance*, 9(6), 1524–1532. <https://doi.org/10.13189/ujaf.2021.090629>
- Prakash, B., Kumar, I., & Kumar Verma, J. (2021). Barriers and potential solutions for MSMEs in developing economies: Evidence from India. *Problems and Perspectives in Management*, 19(4), 325–337. [https://doi.org/10.21511/ppm.19\(4\).2021.26](https://doi.org/10.21511/ppm.19(4).2021.26)
- Putritamara, J. A., Hartono, B., Toiba, H., Utami, H. N., Rahman, M. S., & Masyithoh, D. (2023). Do Dynamic Capabilities and Digital Transformation Improve Business Resilience during the COVID-19 Pandemic? Insights from Beekeeping MSMEs in Indonesia. *Sustainability*, 15(3), 1760. <https://doi.org/10.3390/su15031760>
- Research Center for Social Sciences and Education, College of Commerce and Business Administration, University of Santo Tomas, Manila, Philippines., & Angeles*, I. (2022). The Moderating effect of Digital and Financial Literacy on the Digital Financial Services and Financial Behavior of MSMEs. *Review of Economics and Finance*, 20, 505–515. <https://doi.org/10.55365/1923.x2022.20.57>
- Saad, N. Ah., Elgazzar, S., & Mlaker Kac, S. (2022). Investigating the Impact of Resilience, Responsiveness, and Quality on Customer Loyalty of MSMEs: Empirical Evidence. *Sustainability*, 14(9), 5011. <https://doi.org/10.3390/su14095011>
- Sahu, A. K., Padhy, R. K., & Dhir, A. (2022). Determinants and barriers of implementing lean manufacturing practices in MSMEs: A behavioural reasoning theory perspective. *Production Planning & Control*, 33(12), 1197–1213. <https://doi.org/10.1080/09537287.2020.1857449>
- Sari, Y. W., Nugroho, M., & Rahmiyati, N. (2023). The effect of financial knowledge, financial behavior and digital financial capabilities on financial inclusion, financial concern and performance in MSMEs in East Java. *Uncertain Supply Chain Management*, 11(4), 1745–1758. <https://doi.org/10.5267/j.uscm.2023.6.016>
-

-
- Sharma, A. K. (2022). Implications of Policy Initiatives for MSMEs amid Economic Disruptions Caused by COVID-19. *Vikalpa: The Journal for Decision Makers*, 47(1), 7–18. <https://doi.org/10.1177/02560909221078460>
- Sun, J., & Zhang, J. (2024). Digital Financial Inclusion and Innovation of MSMEs. *Sustainability*, 16(4), 1404. <https://doi.org/10.3390/su16041404>
- Taiwo, O. S., Hakan, A., & Savaş, Ç. (2022). Modeling the Impacts of MSMEs' Contributions to GDP and their Constraints on Unemployment: The Case of African's Most Populous Country. *Studies in Business and Economics*, 17(1), 154–170. <https://doi.org/10.2478/sbe-2022-0011>
- Thamrin, M. H., Wahyudi, S., Ngatno, N., Widiartanto, W., & Yuwanto, Y. (2022). Building Transformational Leadership, Learning, Innovation, Competitiveness, Environment affect the Performance of Handicraft SMEs in Medan City. *WSEAS TRANSACTIONS ON BUSINESS AND ECONOMICS*, 19, 505–520. <https://doi.org/10.37394/23207.2022.19.46>
- Upadhyay, P., & Kundu, A. (2019). Linkage between business sustainability and tacit knowledge management in MSMEs: A case-based study. *VINE Journal of Information and Knowledge Management Systems*, 50(3), 477–494. <https://doi.org/10.1108/VJKMS-08-2019-0133>
-

Copyright Holder :

© Ethan Tan et al. (2024).

First Publication Right :

© Journal of Loomingulusus ja Innovatsioon

This article is under:

