

Entrepreneurial Management Development of Tourism Potential to Enhance Community Economic Empowerment: Evidence from Mallenreng Beach, Indonesia

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Abstract: This study examines the development of entrepreneurial management in utilizing tourism potential as a strategy to enhance community economic empowerment, with empirical evidence from Mallenreng Beach, Panaikang Village, Sinjai Regency, Indonesia. Despite possessing significant coastal tourism potential, Mallenreng Beach has faced persistent challenges related to weak management practices, limited human resource capacity, inadequate tourism infrastructure, low marketing capability, and the absence of business legality among local micro, small, and medium enterprises (MSMEs). This research adopts a community-based empowerment approach implemented through the Program for Strengthening Student Organization Capacity (PPK ORMAWA) initiated by the Scientific Writing Student Activity Unit of Universitas Muhammadiyah Sinjai. The program employed participatory methods, including needs assessment, training, mentoring, and monitoring, focusing on tourism management, MSME business legality (Business Identification Number and Halal Certification), product branding and packaging, digital marketing, and village website management. The findings demonstrate a significant improvement in managerial capacity among tourism managers, increased formalization of MSMEs through legal certification, enhanced product attractiveness and marketing reach, and improved digital promotion of village tourism potential. These outcomes contributed to increased community participation, strengthened local economic activities, and improved institutional collaboration between stakeholders. This study contributes to the literature on entrepreneurial tourism management by providing practical evidence that integrated capacity-building interventions can effectively transform local tourism resources into sustainable drivers of community economic empowerment in rural coastal areas.

Keywords : Entrepreneurial Management; Tourism Development; Community Empowerment; MSMEs; Coastal Village.

1. Introduction

Tourism has emerged globally as a fundamental sector for regional economic growth, employment creation, and socio-cultural development. Its role in fostering sustainable development, particularly in rural and coastal communities, has been extensively documented in recent literature. Tourism functions not only as an economic engine but also as a platform for community participation, innovation, and entrepreneurship (Scheyvens & Biddulph, 2018; Purnomo & Purwandari, 2025). In Indonesia, with its vast archipelagic geography and diverse cultural resources, tourism potential is particularly significant for coastal villages and rural communities. However, the realization of this potential often remains constrained by structural challenges, such as limited infrastructure, weak managerial capacity, inadequate business legality among local MSMEs (Micro, Small, and Medium Enterprises), and sub-optimal marketing mechanisms (Latif et al., 2023; Magro et al., 2025).

A substantial body of research has highlighted that empowering local communities and integrating MSMEs into the tourism value chain are indispensable strategies for maximizing local benefits from tourism activities. Community-based tourism (CBT) emphasizes the active involvement of local residents across planning, management, and evaluation phases, thereby enhancing local ownership and equitable distribution of economic gains (Ginancar, 2023; Cahyaningrum et al., 2024). This paradigm aligns with sustainable development frameworks as outlined under the United Nations Sustainable Development Goals (SDGs), where tourism is envisioned as a driver of inclusive economic growth, poverty reduction, and community resilience (Journal of Sustainable Tourism and Entrepreneurship, 2024).

In the context of Indonesian coastal communities, tourism potential is often clustered around natural scenic features such as beaches, marine ecosystems, and cultural heritage nodes. Mallenreng Beach, located in Panaikang Village, Sinjai Regency, represents such a tourism asset with high aesthetic and socio-economic potential. However, similar to other coastal destinations, Mallenreng Beach currently experiences sub-optimal tourism management. Challenges include underdeveloped infrastructure, limited application of managerial functions, and low levels of formal business status among local MSME actors—particularly in terms of Business Identification Numbers (NIB) and Halal Certification—which are critical for accessing broader markets and formal economic networks (Zahro & Hartiningsih, 2025).

The importance of managerial capacity in tourism development cannot be overstated. Developing human capital through education, training, and mentorship has been recognized as core to successful tourism governance and community empowerment (Rusdiyanto et al., 2024). Empirical evidence suggests that when local actors acquire managerial knowledge—ranging from strategic planning to marketing techniques—tourism products become more competitive and sustainable. This is particularly pertinent in rural and coastal tourism contexts, where large-scale investors are often absent, and tourism activities depend heavily on local human resource capabilities (Gunawan et al., 2025).

MSMEs serve as the backbone of local economies in tourism destinations, providing goods, services, and cultural products that enrich visitor experiences. Recent studies indicate that empowering MSMEs through entrepreneurship training, digital literacy, branding, and legal compliance significantly enhances both economic performance and tourism sustainability (Purnomo & Purwandari, 2025; International Journal of Sustainable Development and Planning, 2024). For example, MSME empowerment strategies that incorporate digital marketing, stakeholder collaboration, and product diversification create dynamic tourism ecosystems capable of attracting repeat visitors and stimulating local income streams, thus fostering a resilient local economy (Gunawan et al., 2025).

Another significant theme in contemporary tourism scholarship is the integration of community empowerment strategies within tourism planning. Rather than top-down development approaches, community empowerment promotes participatory roles for residents at every stage of the tourism value chain. This approach enhances cultural preservation, environmental stewardship, and social equity, all of which contribute to sustainable tourism development (Pamuja et al., 2025). Research in similar Indonesian contexts has shown that community engagement through training, capacity building, and institutional support increases tourism product quality, fosters entrepreneurial mindsets, and strengthens governance mechanisms (Cahyaningrum et al., 2024; Annida & Taofiqurohman, 2024).

Despite the theoretical and empirical advancements, gaps remain in understanding how integrated management interventions—encompassing tourism management training, MSME empowerment, business legality facilitation, digital promotion, and stakeholder collaboration—collectively influence community economic empowerment in emerging tourism destinations. Specifically, there is a need for evidence that demonstrates how structured interventions can transform latent tourism potential into sustainable economic growth while strengthening local institutional capacities. Addressing this gap is particularly relevant for coastal tourism areas like Mallenreng Beach, where natural beauty and cultural richness have not yet translated into optimal socio-economic benefits for the local community.

The *Entrepreneurial Management Development of Tourism Potential to Enhance Community Economic Empowerment: Evidence from Mallenreng Beach, Indonesia* study responds to this need by examining a holistic intervention program executed through the Program for Strengthening Student Organization Capacity (PPK ORMAWA), initiated by the Scientific Writing Student Activity Unit (UKM KPI) of Universitas Muhammadiyah Sinjai (UMSi). This program integrates several strategic

components: tourism management training for local managers, facilitation of business legality (including NIB and Halal certification), branding and packaging skills for MSME operators, digital marketing capacity building, and village website management to enhance external visibility. By bridging theoretical insights from the literature with practical implementation, this research aims to provide evidence on the effectiveness of entrepreneurial management approaches in unlocking tourism potential and empowering local communities.

In sum, this introduction contextualizes the theoretical foundations of tourism development, MSME empowerment, and community participation within contemporary academic discussions. It highlights how tourism can serve as a pathway for rural economic empowerment when local actors are equipped with appropriate managerial and entrepreneurial capacities. Through a case study of Mallenreng Beach, this research contributes to the expanding field of tourism studies by offering empirical insights on integrated empowerment models that align with global sustainable development objectives and local socio-economic realities.

2. Research Methodology

2.1 Research Design

This study employed a qualitative descriptive research design with a community-based participatory approach to examine the development of entrepreneurial management in utilizing tourism potential to enhance community economic empowerment. The research was integrated with the implementation of the *Program for Strengthening Student Organization Capacity (PPK ORMAWA)* conducted by the Scientific Writing Student Activity Unit of Universitas Muhammadiyah Sinjai. This approach was selected to capture the dynamic interactions between tourism managers, micro, small, and medium enterprise (MSME) actors, village officials, and community members in developing sustainable tourism management practices.

2.2 Research Site and Participants

The research was conducted in Panaikang Village, East Sinjai District, Sinjai Regency, South Sulawesi, Indonesia, with a specific focus on Mallenreng Beach as the primary tourism destination. Participants consisted of:

1. Tourism managers of Mallenreng Beach,
2. MSME actors operating within the tourism area,
3. Village government officials, and
4. Community members involved in tourism-related economic activities.

Participants were selected using purposive sampling, based on their direct involvement in tourism management, MSME operations, and village governance.

2.3 Data Collection Techniques

Data were collected using multiple techniques to ensure data triangulation:

1. Observation, conducted to assess the initial and post-intervention conditions of tourism infrastructure, MSME activities, and tourism management practices.
2. In-depth interviews, carried out with tourism managers, MSME actors, and village officials to explore challenges, needs, and perceptions regarding tourism and entrepreneurial development.
3. Documentation, including village profiles, MSME legality records (Business Identification Number and Halal Certification), training materials, photographs, and activity reports.
4. Participatory action records, obtained from training sessions, mentoring activities, and community workshops conducted during the program.

2.4 Intervention Strategy

The intervention was implemented through a series of structured stages:

1. Needs assessment, involving identification of tourism potential, management constraints, MSME challenges, and institutional capacity gaps.
2. Capacity-building programs, including training on tourism management, entrepreneurial management, MSME business legality, product branding and packaging, digital marketing, and village website management.
3. Mentoring and assistance, provided continuously to support the application of managerial skills, processing of business legality, and improvement of promotional strategies.
4. Stakeholder collaboration, involving village government support in providing facilities, policy alignment, and institutional backing.

2.5 Data Analysis

Data were analyzed using interactive qualitative analysis, consisting of data reduction, data display, and conclusion drawing. The analysis focused on identifying changes in managerial capacity, MSME formalization, marketing practices, and community participation before and after the intervention. Triangulation across data sources and methods was applied to enhance the validity and credibility of the findings.

2.6 Monitoring and Evaluation

Monitoring and evaluation were conducted periodically during and after the program to assess the effectiveness of the interventions. Indicators included improvements in tourism management practices, the number of MSMEs obtaining business legality, enhancement of product branding and packaging, utilization of digital platforms, and increased stakeholder collaboration.

2.7 Ethical Considerations

This research ensured ethical compliance by obtaining informed consent from all participants, maintaining confidentiality, and ensuring that participation was voluntary. The research activities were conducted in coordination with village authorities and aligned with community interests.

3. Results and Discussion

3.1 Research Results

This study reveals that the development of entrepreneurial management at Mallenreng Beach has generated multidimensional impacts on tourism governance, MSME formalization, marketing capability, and community economic empowerment in Panaikang Village. The results are presented based on empirical observations, participatory records, interviews, and documentation collected before and after the implementation of the PPK ORMAWA program.

3.1.1 Improvement of Tourism Management Capacity

Prior to the intervention, tourism management at Mallenreng Beach was characterized by weak planning, limited coordination, and the absence of clear operational procedures. Facilities such as the MSME gallery were underutilized, tourism signage was inadequate, and maintenance activities were not systematically conducted. The implementation of tourism management training significantly improved managerial awareness among tourism managers, particularly regarding basic management functions, including planning, organizing, directing, and controlling tourism activities. After the intervention, tourism managers demonstrated improved capacity to organize tourism activities, manage visitor flows, and coordinate with MSME actors and village authorities. The enhancement of aesthetic elements and

spatial organization of tourism facilities contributed to a more attractive tourism environment, which strengthened the destination’s competitiveness.



[Figure 1. Tourism Facilities and MSME Activities at Mallenreng Beach]

3.1.2 Formalization of MSMEs through Business Legality

One of the most significant results of this study is the increased formalization of MSMEs operating around Mallenreng Beach. Prior to the program, none of the identified MSME actors possessed formal business legality, such as a Business Identification Number (NIB) or Halal Certification. This condition limited their access to financial assistance, formal markets, and government support programs. Through structured training and mentoring, MSME actors successfully obtained business legality, with a total of 30 NIBs issued during the program period. This achievement represents a critical institutional transformation, enabling MSMEs to operate within a formal economic framework and strengthening their long-term business sustainability.



[Figure 2. MSME Legalization Training and NIB Issuance Process]

3.1.3 Enhancement of MSME Branding, Packaging, and Marketing

The results also indicate a substantial improvement in MSME branding and marketing practices. Initially, MSME products lacked standardized branding, attractive packaging, and clear market positioning. Following training on product branding, packaging design, and marketing management, MSME actors demonstrated increased awareness of the importance of product differentiation and visual

appeal. New packaging designs and branding strategies were adopted, contributing to improved product attractiveness and market competitiveness. Moreover, MSME actors began to apply basic marketing strategies, including price setting, product display, and customer engagement, particularly targeting tourists visiting Mallenreng Beach.



[Figure 3. MSME Product Branding and Packaging Development]

3.1.4 Strengthening Digital Promotion through Village Website Management

Another key result concerns the improvement of digital promotion capacity through village website management. Before the intervention, the village website was largely inactive and underutilized due to limited technical knowledge among village officials. Training and mentoring enabled village officials to manage website content, update village profiles, and promote tourism and MSME activities.

As a result, the village website became an effective platform for disseminating information about Mallenreng Beach and local economic activities, enhancing the visibility of Panaikang Village at a broader regional and global level.

3.1.5 Community Participation and Institutional Collaboration

The program also strengthened community participation and institutional collaboration. Active involvement of village authorities, tourism managers, MSME actors, and academic institutions fostered a collaborative governance model. This synergy enhanced collective responsibility for tourism development and reinforced the sustainability of the implemented interventions.

3.2 Discussion

The findings of this study demonstrate that entrepreneurial management development plays a strategic role in transforming tourism potential into a driver of community economic empowerment. The improvement in tourism governance at Mallenreng Beach aligns with the principles of community-based tourism, where local actors are positioned as key stakeholders in managing and benefiting from tourism resources. The enhancement of managerial capacity among tourism managers confirms that limited tourism performance in rural destinations is often not caused by a lack of potential, but by weak management systems and human resource capacity. By strengthening managerial skills, tourism destinations can improve service quality, optimize resource utilization, and enhance visitor satisfaction. The formalization of MSMEs through business legality represents a critical structural change in local economic development. Previous studies emphasize that business legality is a prerequisite for MSME sustainability, access to financing, and integration into formal value chains. The successful issuance of NIBs in this study illustrates how targeted interventions can overcome institutional barriers faced by rural MSMEs.

Furthermore, the improvement in branding, packaging, and marketing practices reflects the importance of entrepreneurial orientation in MSME development. Attractive packaging and effective branding not only increase product competitiveness but also contribute to the creation of a positive destination image. In tourism-based economies, MSME products often serve as cultural and economic representations of the destination, reinforcing the linkage between tourism and local economic identity. The integration of digital promotion through village website management highlights the growing importance of digital platforms in rural tourism development. Digital visibility enables rural destinations to reach wider markets, reduce information asymmetry, and attract tourists beyond traditional networks. This finding supports the argument that digital transformation is a key enabler of inclusive tourism development.

From a broader perspective, this study confirms that integrated entrepreneurial management interventions—combining tourism governance, MSME formalization, marketing enhancement, and digital promotion—can generate synergistic effects on community economic empowerment. The participatory approach adopted in this study ensured local ownership of development initiatives, which is essential for long-term sustainability. However, the findings also indicate that sustaining these achievements requires continuous mentoring, institutional support, and policy alignment. Without consistent follow-up, there is a risk that improved practices may not be fully institutionalized. Therefore, long-term collaboration between academic institutions, village governments, and local communities is crucial to maintain momentum and scale up the impact of tourism-based economic empowerment initiatives.

4. Conclusion

4.1 Main Conclusions

This study concludes that the development of entrepreneurial management in tourism destinations plays a decisive role in enhancing community economic empowerment, as evidenced by the case of Mallenreng Beach in Panaikang Village, Indonesia. The implementation of integrated capacity-building programs—covering tourism management, MSME legality, product branding, marketing strategies, and digital promotion—has significantly improved both institutional performance and local economic participation. The findings demonstrate that improved tourism management capacity contributes to better utilization of local tourism potential, enhanced destination aesthetics, and increased visitor appeal. Simultaneously, the formalization of MSMEs through business legality (NIB and halal certification) strengthens economic resilience by enabling access to formal markets, government support, and sustainable business practices. These combined interventions create a mutually reinforcing relationship between tourism development and MSME growth.

4.2 Theoretical Contributions

From a theoretical perspective, this study contributes to the literature on community-based tourism and entrepreneurial development by providing empirical evidence that entrepreneurial management functions as a strategic mechanism linking tourism potential with local economic empowerment. The findings reinforce the argument that tourism-driven economic development in rural areas is not solely dependent on natural or cultural attractions, but largely on human resource capacity, institutional readiness, and entrepreneurial orientation. This study also extends existing entrepreneurship and tourism management theories by highlighting the importance of MSME formalization and digital governance as integral components of sustainable tourism ecosystems in developing regions.

4.3 Practical and Policy Implications

Practically, the results offer important insights for local governments, community organizations, and higher education institutions involved in rural tourism development. The study suggests that tourism development programs should prioritize managerial capacity building, MSME legalization, and digital promotion rather than focusing exclusively on physical infrastructure development. From a policy perspective, the findings imply that government support for rural tourism should be designed as an integrated framework that simultaneously addresses tourism governance, MSME institutionalization, and digital transformation. Strengthening collaboration between village governments, universities, and local communities is crucial to ensuring long-term sustainability and scalability of tourism-based economic empowerment initiatives.

5.4 Limitations of the Study

Despite its contributions, this study has several limitations. First, the research is based on a single case study, which may limit the generalizability of the findings to other tourism destinations with different socio-economic characteristics. Second, the study relies primarily on qualitative and participatory observations, without incorporating quantitative measurements of income growth or visitor satisfaction levels. These limitations suggest that the results should be interpreted with caution and viewed as context-specific rather than universally applicable.

5.5 Directions for Future Research

Future research is encouraged to expand this study by incorporating comparative analyses across multiple rural tourism destinations to enhance generalizability. Quantitative approaches measuring economic impact, employment growth, and tourism performance indicators would further strengthen empirical validation. Additionally, longitudinal studies could provide deeper insights into the long-term sustainability of entrepreneurial management interventions in tourism-based community development.

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