

## EMPOWERING COFFEE SMES IN LABUAN BAJO THROUGH MARKETING AND E-COMMERCE

Siti Maghfiroh<sup>1\*</sup>, Sofia Zahira<sup>2</sup>, Sendi Putra Egiu Pratama<sup>3</sup>, Yudha Aryo Sudibyo<sup>4</sup>

<sup>1</sup>Accounting Department, Jenderal Soedirman University, Indonesia

<sup>2</sup>Accounting Department, Jenderal Soedirman University, Indonesia

<sup>3</sup>Accounting Department, Jenderal Soedirman University, Indonesia

<sup>4</sup>Accounting Department, Jenderal Soedirman University, Indonesia

\*Email corresponding author: siti.maghfiroh@unsoed.ac.id

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### Abstract

Empowerment of coffee MSMEs in Labuan Bajo is very important given the huge tourism and local economic potential. The purpose of this service is to strengthen the competitiveness of coffee business actors through the application of digital marketing strategies and e-commerce integration. The methods include interactive training, content creation assistance, social media management, and integration of digital platforms and marketplaces. Based on the results of the training and participant interviews, there was an increase in engagement, online visibility, and understanding of digital marketing that had a significant impact on sales potential and market exposure. This approach is in line with the findings that digital marketing and e-commerce contribute positively to the financial performance and sustainability of SMEs in Indonesia.

**Keywords:** Coffee SMEs, Labuan Bajo, Digital Marketing, E-commerce, Empowerment

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### INTRODUCTION

Labuan Bajo, as one of Indonesia's super-priority tourism destinations, is not only famous for its natural beauty-including Komodo Island and stunning natural scenery, but also for the increasingly promising development potential of local Manggarai coffee. Manggarai coffee has distinctive flavor characteristics that are starting to be noticed by local and international tourists, and is becoming part of the region's culinary identity (Republika, 2020).

A number of coffee Small and Medium Enterprises (SMEs) in Labuan Bajo are actively developing their products through inclusive approaches such as local branding and participation in incubation and upstream to downstream training. Some of them have successfully penetrated distribution networks to local hotels, restaurants and tour boats through support from the Labuan Bajo Flores Tourism Authority (BOPLBF) (Republika, 2020). These efforts reflect the region's commitment to positioning coffee SMEs as drivers of the creative economy and ambassadors of local tourism.

However, coffee SMEs in Labuan Bajo still face significant challenges. Key issues include limited access to broader markets, low levels of digital technology utilization for marketing purposes, and a lack of knowledge in managing e-commerce platforms and social media. Many businesses still rely on traditional marketing, personal networks, or direct sales in physical stores, so their market expansion potential remains limited (Herawati et al., 2020), (2023). One of the Coffee SMEs in Labuan Bajo is Databajo Coffee which was established on April 20, 2023. The owner of Databajo coffee is Afrianus Jebaut who is an alumni student of El Baju Comodus Labuan Bajo Polytechnic, starting from a love of enjoying coffee, Apik, Afrianus' nickname, started his coffee business, until now Databajo coffee still maintains its business, namely ground coffee and bean coffee. Apik's wish is that his coffee products can be sold outside the Labuan Bajo islands.

Another challenge is the gap in technological literacy and digital resources, which causes SMEs to be slow in responding to current consumption trends that are increasingly shifting to the online realm. There has been no consistent assistance to businesses in terms of content creation skills, social media optimization, marketplace usage, and effective brand storytelling (Herawati et al., 2023).

In response to these challenges, this community service program offers a solution through empowering coffee SMEs in Labuan Bajo with a digital marketing and e-commerce approach. Interventions will include: training in digital promotional content creation, branding strategies on social media, online store management in the marketplace, and optimization of product photos and descriptions to meet digital standards. Thus, it is expected that SMEs will be able to expand their market reach, increase sales, and strengthen the competitiveness of local coffee products at the national and international levels.

This approach is in line with previous research findings that digital marketing has been shown to play an important role in helping SMEs increase consumer reach, sales, and sustainable performance (Herawati et al., 2023); and the importance of mentoring and follow-up training in ensuring digitalization is effectively implemented (Herawati et al., 2023).

## **LITERATURE REVIEW AND HYPOTHESIS FORMULATION**

### **Small and Medium Enterprises (SMEs) in the Coffee Sector**

SMEs are the backbone of the Indonesian economy, contributing significantly to Gross Domestic Product (GDP) and employment (Ministry of Cooperatives and SMEs, 2022). In the coffee sector, SMEs have a strategic role in processing, marketing, and developing highly competitive coffee-derived products. The potential of local coffee, such as Manggarai coffee in Labuan Bajo, has been recognized nationally and internationally for its distinctive taste and inherent cultural value (Republika, 2020). However, the sustainability of coffee SMEs is strongly influenced by their ability to adapt to market and technological developments.

### **SMEs Challenges in the Digital Age**

Although digital technology brings great opportunities, many SMEs face obstacles in its utilization. Low digital literacy, limited competent human resources, and limited capital for technology investment are the main inhibiting factors (Herawati et al., 2023). In the context of Labuan Bajo, most coffee SMEs still rely on conventional marketing and local distribution, resulting in limited market reach. Competition with coffee brands from outside the region is also a challenge.

### **Digital Marketing as An SME Development Strategy**

Digital marketing is the utilization of internet technology and digital media to promote products or services effectively and measurably (Kotler & Keller, 2021). For coffee SMEs, digital marketing strategies include using social media, marketplaces, and websites to expand market reach, increase brand awareness, and build consumer loyalty. Research by Herawati et al. (2023) shows that digital marketing can significantly increase the turnover of coffee SMEs if accompanied by adequate training and mentoring.

### **The Role of E-commerce in Expanding Market Access**

E-commerce has become an important means for SMEs to reach markets beyond their geographical area. Platforms such as Tokopedia, Shopee, and Lazada allow coffee SMEs to market their products to consumers throughout Indonesia and even abroad at a relatively low cost (Laudon & Traver, 2022). Effective e-commerce implementation requires mastery of digital marketing techniques, stock management knowledge, logistics, and customer service. In the case

of Databajo Coffee SMEs in Labuan Bajo, e-commerce utilization is still limited due to the lack of technical skills and a planned digital strategy.

### **Technology-Based SME Empowerment**

Technology-based SME empowerment programs aim to increase the capacity of businesses to compete in modern markets. This empowerment model includes training, mentoring, and access to digital infrastructure. According to Herawati et al. (2023), the success of empowerment programs is highly dependent on the sustainability of mentoring and the relevance of training materials to the specific needs of SMEs. For coffee SMEs in Labuan Bajo, empowerment based on digital marketing and e-commerce is expected to increase independence, competitiveness, and contribution to the regional economy.

## **METHODOLOGY**

### **Activity Approach**

This community service activity uses a participatory approach, where coffee SMEs are actively involved in every stage of the activity. This approach was chosen because it is considered effective in increasing the sense of ownership and sustainability of program results (Nasution, 2021). The implementation method combines training, mentoring, and field practice. The main focus of the activities is the mastery of digital marketing skills and the management of online stores (e-commerce) to market Manggarai coffee products more widely.

### **Location and Target**

This activity was carried out in Labuan Bajo, West Manggarai Regency, East Nusa Tenggara. The main targets were Databajo Coffee SMEs and several other coffee SMEs in the local coffee community network. The number of program participants is 15 business actors who have ready-to-sell coffee products, but have not optimally utilized digital technology for marketing.

### **Stages of Implementation**

The program implementation was carried out through several stages as follows:

1. Preparatory Stage  
Coordination with related parties such as the Tourism Office, coffee communities, and local marketplace managers. Identification of participants' needs through needs assessment related to digital literacy, marketing skills, and technological readiness. Preparation of training modules covering branding strategies, social media management, product photography, and online store management.
2. Training Session  
Conducted for 3 intensive days, including:
  - a. Digital Marketing Basics: concept, content strategy, channel selection, and target market analysis.
  - b. Social Media Optimization: creation of Instagram, Facebook, and TikTok business accounts, storytelling techniques, and use of insight analytics.
  - c. E-commerce Management: store registration in marketplaces (Tokopedia, Shopee), stock management, optimization of product photos and descriptions, and online promotion strategies.
3. Mentoring Stage
  - a. Mentoring is conducted for 1 month after the training.
  - b. The mentoring team monitors participants' progress in managing social media accounts and online stores.
  - c. Online consultations and field visits to solve technical problems faced by participants.

4. Evaluation and Monitoring Phase
  - a. Evaluation was conducted by comparing pre- and post-program data related to marketing reach, number of orders, and social media engagement.
  - b. Participants fill out a satisfaction questionnaire and provide feedback for further program improvement.

#### **Success Evaluation Method**

The success of the program is measured based on the following indicators:

1. Increase in participants' digital literacy, measured through pre-test and post-test.
2. Increased online marketing activities, measured by the number of posts, interactions, and reach on social media.
3. Increased sales turnover from online stores and direct sales.
4. Participants' level of satisfaction with the materials and mentoring provided.

#### **Equipment and Resources**

1. Laptop and smartphone for each participant.
2. Stable internet access during training and mentoring.
3. Digital marketing and e-commerce training modules in print and soft file.
4. Experts in digital marketing, product photography, and e-commerce management

#### **RESULT AND DISCUSSION**

1. Increased Engagement and Visibility: A number of businesses showed an increase in followers and interactions on social media. This is consistent with the findings for Nostalgia Coffee.
2. Local Branding and Storytelling Awareness: Participants began to be able to craft unique narratives about local coffee that support product differentiation (in line with practices in Banjarnegara coffee).
3. Understanding of Digital Platforms and Marketplaces: Participants mastered the basics of creating promotional content and product listings; this strengthens their competitiveness digitally.
4. Increased Sales Potential and Sustainability: Based on literature and training results, the combination of digital marketing and e-commerce is likely to improve the financial performance and sustainability of MSMEs

#### **CONCLUSION**

Empowering coffee MSMEs in Labuan Bajo through digital marketing and e-commerce has proven effective in increasing their visibility, consumer interaction, and digital readiness. This not only supports short-term marketing strategies, but also strengthens the digital foundation for business sustainability.

#### **Recommendation**

1. Organize sustainable, locally-based training to deepen digital marketing and e-commerce skills.
2. Build a digital ecosystem for MSMEs via collaboration between Tourism, coffee communities, and digital platforms.
3. Develop a "local coffee storytelling" practice module to strengthen cultural branding in marketing.

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