

Research Article

Community-Based Creative Economy Development in Supporting Sustainable Tourism in Somongari Tourism Village

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Abstract. Somongari Tourism Village in Indonesia's Purworejo Regency is the site of this research on the ways in which community-based creative economy development could promote ecotourism. As a destination rich in natural, cultural, and historical assets, Somongari demonstrates significant potential to integrate creative industries into tourism practices. Examining community involvement, entrepreneurship, and government, this study used a qualitative descriptive technique to gather data via observation, recording, and interviews. Findings reveal that creative economy initiatives—such as culinary innovation, agro-tourism, cultural storytelling, and digital promotion—strengthen destination attractiveness while generating income for residents. Innovation, inclusion, and intergenerational collaboration are greatly enhanced when women and youths are involved. Community ownership and fair distribution of benefits are reinforced via participatory governance and collective management. Limited product diversification, reliance on seasonal tourism, and limitations in management competence are some of the difficulties that continue to exist. The study concludes that community-based creative economy development provides a strategic pathway for sustainable tourism by integrating economic empowerment, cultural preservation, and social participation. Strengthening entrepreneurship, enhancing digital marketing, diversifying tourism products, and fostering stakeholder collaboration are essential to improving competitiveness and resilience. This study contributes to the discourse on sustainable rural tourism by demonstrating how creative economy initiatives can serve as instruments of empowerment and sustainable destination development.

Keywords: Community Empowerment ; Community-Based Tourism; Creative Economy Development; Sustainable Tourism; Tourism Village.

1. Introduction

A well-known sustainable development method, community-based tourism (CBT) gives local people more say in how their destinations are developed and how tourists experience them. This community-based approach puts locals in the driver's seat when it comes to tourist development, which helps achieve many UN Sustainable Development Goals (SDGs), such as SDG 1 (reduction of poverty) and SDG 8 (promotion of decent employment and economic growth) (Abreu, 2024). The local communities are seen as more than just beneficiaries of tourism under CBT. They are seen as active participants in planning, management, and decision-making (Hariyadi B. R., 2024; Prakoso, 2020). The CBT approach highlights sustainability across environmental, cultural, and social dimensions while also functioning as a mechanism for community empowerment and environmental preservation (Oka I. M. D., 2021; Suyatna, 2024). Tourism projects are developed from the ground up, based on local needs

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and goals. This approach fosters a stronger feeling of ownership and guarantees their sustainability in the long run (Oka I. M. D., 2021; Suyatna H., 2024).

Incorporating sustainable tourism methods with local resources, tourist communities are a prominent example of CBT in action. Economic development, community empowerment, and cultural preservation are all greatly impacted by these villages (Hariyadi, 2024). Because they provide housing while also fostering cooperation among local families, homestays play an essential role in CBT in rural areas (Pasanchay K., 2021) Charoenpokaraj and Kaewmahanin (2024) and Long et al. (2018) both note that homestay businesses have been crucial in boosting community-based economic activities, reviving local resources, and aiding developing nations' tourist industry. Li et al. (2024) argues that tourist villages are useful for rural development because they generate revenue, foster social cohesiveness, and encourage environmental responsibility.

A real-life illustration of this strategy is the Somongari Tourism Village in Purworejo Regency. Renown for its affiliation as the birthplace of WR, its agricultural goods such durian and medicinal plants, and the breathtaking natural beauty of the Menoreh highlands. Monongari is a cultural and ecological wonderland that was designed by Soepratman, who also wrote Indonesia Raya, the national song of Indonesia. On the other hand, prudent fiscal management is just as important as these resources for the village's prosperity. Purnamawati and Hatane (2024) state that communities may maximize income, manage resources effectively, and increase general welfare via strong financial procedures. In rural regions, developing tourism may boost economic growth, which in turn strengthens local resilience (Placeholder7)(Liu et al., 2023). This is because it creates jobs, increases family income, and opens doors for investment and entrepreneurship. Communities may develop sustainable tourist businesses, strengthen bonds, and become more competitive on a national and regional scale via open and responsible financial management (Ginting N., 2024).

The growth of Somongari Tourism Village is indicative of a larger trend in the regulation of rural tourist destinations, where sound fiscal management is being recognized as an essential component to long-term viability. Financial systems that are open and inviting to all parties involved foster confidence and increase responsibility (Sofiyah et al., 2020; Purnamawati & Hatane, 2024). Research shows that holding leaders to their word and being open and honest with stakeholders helps control organizational performance, boosts value creation, and benefits everyone (Setyahadi R. R., 2020) Building trust is essential in CBT contexts for inspiring people to work together, which is necessary for reinvesting tourist revenue into community objectives like education, infrastructure, and cultural preservation (Gutierrez, 2023; Scheyvens R., 2021). In this way, financial management serves as both an instrument for administration and a social mechanism for bridging the gap between economic results and the empowerment of communities.

Incorporating financial management into tourist village development also shows how social cohesiveness and economic resilience are closely related. According to Ary-aningtyas et al. (2024), a more equitable distribution of tourist profits may help quell infighting, fortify communities, and inspire people to work together. On the other hand, judicious reinvestment can help the industry grow. To achieve long-term sustainability, it is vital to use adaptive solutions that are based on local resource management and actively include the community, according to research on rural tourist governance (Putra, 2024). The goal of attracting local and foreign tourists, as well as the cyclical nature of tourist visits, makes this equilibrium all the more crucial in Somongari. For CBT to be sustainable in the long run, as described in recent research, there must be consistent funding for training and education, open and honest leadership, and fair distribution of profits (Wang S., 2025).

Somongari Tourism Village, in conclusion, shows how CBT may serve as a springboard for self-determination via creativity and business. The village is able to respond to shifting

tourist trends and promote intergenerational knowledge transfer by integrating younger generations in digital marketing and financial administration (Dushkova D., 2024). Eom and Han (2019) and Gautam and Bhalla (2024) found that women's involvement in homestay operations and financial management demonstrates inclusion and shows how empowerment in tourist villages spans across economic, social, cultural, and technological aspects. In order to revitalize rural homestays and promote sustainable tourism growth, research indicates that value co-creation among tourist operators, guests, and government agencies is crucial (Li et al., 2024). By doing so, Somongari Tourism Village exemplifies the CBT principles and demonstrates how sound fiscal management may bolster CBD initiatives.

2. Literature Review

Community-Based tourist (CBT) is a theoretical framework that, according to the examined literature, puts local communities in the role of tourist development's engine. In line with the United Nations Sustainable Development Goals (SDGs), CBT promotes community-centered tourism practices that are participatory and creative. This approach is especially in line with SDG 8, which aims to promote decent employment and economic development, and SDG 1, which focuses on the elimination of poverty (Lemunge, 2025). According to Hariyadi et al. (2024) and Sapkota et al. (2024), CBT lays forth the principles that tourist villages may follow to empower their communities. These principles include participatory governance, environmental responsibility, and socio-cultural integration. Community engagement should lead to quantifiable economic results, equitable distribution of resources, and chances for innovation; this framework is enhanced by combining financial management with entrepreneurial activity (Ginting N., 2024; Purnamawati I. G. A., 2024). All things considered, these viewpoints point to the fact that empowerment in tourist villages is a deliberate and organized process that is rooted in CBT principles, financial governance, and entrepreneurial habits. Expanding on these theoretical underpinnings, the ongoing conversation about community-based empowerment places Somongari Tourism Village in a larger perspective. It shows how local involvement, collective effort, and entrepreneurial skills help to maintain resilience and competitiveness (Suyatna, 2024).

Community-Based Tourism (CBT)

By highlighting the importance of local communities' active participation in tourism's planning, management, and benefitting, Community-Based Tourism (CBT) has become a prominent paradigm in the field of sustainable tourist development. Local engagement, communal decision-making, and fair benefit sharing are prioritized in CBT, in contrast to traditional tourist models that are generally controlled by outsider investors (Sapkota et al., 2024). This approach positions communities as the primary stakeholders responsible for shaping tourism development according to local needs, cultural values, and environmental considerations.

Since CBT incorporates economic, social, environmental, and cultural aspects into tourist operations, it is very congruent with the ideals of sustainable development. United Nations Sustainable Development Goals (SDGs) 1–11 are advanced by the framework (Abreu, 2024) with a focus on SDG 8—Decent Work and Economic Growth and SDG 11—Sustainable Cities and Communities. Central Bank Transfer (CBT) facilitates local revenue generation, tradition preservation, and social cohesion via participatory governance.

Research suggests that CBT contributes to sustainable tourism by ensuring that local communities retain ownership over tourism assets and decision-making processes (Nugroho & Numata, 2022). This bottom-up approach encourages local empowerment and reduces dependency on external actors. Furthermore, CBT has been recognized as an effective mechanism for conserving natural resources and cultural heritage because community members

have a direct interest in maintaining environmental quality and preserving local identity (Hariyadi et al., 2024). Nevertheless, several challenges remain, including unequal participation, governance limitations, and insufficient managerial capacity, which may restrict long-term sustainability and equitable benefit-sharing (Gohori, 2024; Scheyvens R., 2021)

In the context of tourism villages, CBT serves as a foundational model that allows local communities to actively participate in tourism development while simultaneously promoting economic resilience and cultural preservation. By involving residents in tourism-related activities, CBT ensures that tourism functions not merely as an economic sector but also as a platform for social inclusion and community empowerment.

Creative Economy in Tourism Development

The creative economy has become increasingly important in tourism development, particularly in rural and community-based destinations. The creative economy refers to economic activities that rely on creativity, cultural knowledge, innovation, and intellectual capital to generate value and income. According to the concept introduced by the United Crafts, digital media, design, cultural heritage, the performing arts, visual arts, fashion, and culinary arts are all part of the creative industries, according to the UNCTAD.

Within tourism contexts, the creative economy enhances destination attractiveness by transforming local cultural assets into tourism products and experiences. Creative tourism shifts the focus from passive consumption to active participation, allowing tourists to engage directly with local traditions, arts, and cultural practices (Arroyo C. G., 2024). This interaction creates unique and authentic tourism experiences that distinguish destinations from mass tourism markets.

The integration of creative economy activities into tourism contributes to local economic diversification. Rural communities can develop small-scale enterprises such as handicrafts, culinary products, cultural performances, and experiential tourism services that provide additional income sources (Gautam V., 2024). These creative industries often rely on local knowledge and cultural identity, thereby reinforcing the uniqueness of a destination while preserving intangible cultural heritage.

Research indicates that the creative economy also plays a strategic role in strengthening destination competitiveness (Zhang, 2024). By combining creativity with local resources, communities can produce innovative tourism products that respond to changing visitor preferences. In addition, creative economy initiatives encourage entrepreneurship, foster local innovation, and create employment opportunities, especially for women and youth. This is particularly relevant for tourism villages seeking to maintain sustainability while improving economic welfare.

The relationship between tourism and the creative economy is reciprocal. Tourism creates demand for creative products and experiences, while the creative economy enhances the tourism value chain through cultural expression and innovation. Therefore, integrating creative economy development into tourism village management contributes to sustainable local development by promoting inclusive growth and cultural preservation.

Tourism Villages as Community Empowerment Platforms

Tourism communities are an example of how sustainable rural development and community-based tourism may come together in the real world. Most people think of a rural region as a tourist town if it has attractions, lodging, local customs, and community events all rolled into one. Tourism villages rely heavily on local participation, making them suitable models for promoting community empowerment and inclusive economic growth.

Studies show that tourism villages contribute to rural revitalization by creating alternative livelihood opportunities and reducing dependence on agriculture alone (Yang L., 2024). Through tourism-related activities, local residents can diversify income sources and improve

household welfare. As part of its mission to preserve cultural identity, tourist villages also help promote traditional traditions, local crafts, rituals, and culinary history.

Community empowerment within tourism villages extends beyond economic benefits. Empowerment includes increased participation in decision-making, improved skills and knowledge, enhanced social capital, and stronger community cohesion (Rosalina, 2021). Tourism activities encourage collaboration among local stakeholders, including village governments, tourism awareness groups, small business owners, and local households.

Research further indicates that tourism villages can contribute to poverty reduction and social inclusion by creating opportunities for marginalized groups, including women and youth (Chen, 2024). Women's involvement in culinary businesses, handicraft production, and homestay management often strengthens household income while promoting gender equality. Likewise, youth participation in digital marketing, creative production, and tourism promotion introduces innovation into village tourism development.

But good leadership, teamwork, and community involvement are what really make tourist villages tick. Weak institutional structures, limited access to capital, and low managerial capacity may hinder tourism village sustainability. Therefore, tourism villages require integrated management strategies that combine community participation, entrepreneurship, and creative economy development.

Community-Based Creative Economy Development

Community-based creative economy development refers to the process of utilizing local creativity, cultural assets, and community participation to generate economic value and strengthen local identity. In tourism villages, this approach emphasizes the active involvement of residents in developing creative products and services rooted in local resources.

The concept of community-based creative economy development is closely related to participatory development theory, which highlights local agency and collective action. Communities are not only producers but also decision-makers who determine how local resources are utilized and distributed. This model encourages local ownership, social inclusion, and equitable benefit-sharing.

Creative economy development in rural tourism settings often includes activities such as handicraft production, culinary innovation, cultural festivals, traditional performances, agro-tourism products, and creative workshops. These activities contribute to tourism attractiveness while simultaneously creating income-generating opportunities for local communities.

Studies suggest that community-based creative economy development supports sustainable tourism because it reduces dependency on external industries and strengthens local resilience (Aryaningtyas, 2024). By leveraging local knowledge and creativity, communities can develop tourism products that are authentic, distinctive, and aligned with local identity.

Additionally, creative economy development enhances local entrepreneurship by encouraging innovation and business diversification. Entrepreneurial activities rooted in creativity enable communities to respond to market trends while preserving cultural values. This balance between innovation and cultural preservation is critical for tourism villages seeking to maintain long-term sustainability.

Community-based creative economy development also contributes to social empowerment. Through participation in creative industries, community members gain skills, increase self-confidence, and expand social networks. Collective production and collaboration among community groups strengthen social cohesion and create shared economic benefits.

Sustainable Tourism and Local Economic Development

When tourists help present-day economies, communities, and ecosystems thrive without jeopardizing future generations' capacity to do the same, we say that they are engaging in

sustainable tourism. The concept of sustainable tourist development highlights the need of balancing cultural preservation, environmental protection, and economic growth.

In rural destinations, sustainable tourism provides opportunities for local economic development by creating employment, supporting entrepreneurship, and encouraging investment. Tourism activities contribute to local revenue generation while promoting the use of local products and services (Liu, 2023). Sustainable tourism also encourages responsible resource management, ensuring that natural and cultural assets remain protected.

The correlations between sustainable tourism and the creative economy is particularly significant because creative industries often rely on local culture and heritage. Creative tourism products help destinations avoid overdependence on natural attractions alone by expanding tourism offerings through cultural experiences.

Research highlights that sustainable tourism requires strong governance, stakeholder collaboration, and community engagement (Putra, 2024). Effective collaboration among local governments, tourism groups, entrepreneurs, and residents ensures that tourism development aligns with local priorities and community aspirations.

Sustainable tourism also emphasizes equitable benefit distribution. Fair income allocation from tourism activities contributes to social harmony and prevents conflicts among community members. Reinvestment of tourism revenue into infrastructure, education, and cultural preservation further strengthens long-term sustainability.

Somongari Tourism Village and Local Creative Economy Potential

Somongari Tourism Village, located in Purworejo Regency, possesses significant potential for community-based creative economy development. As the historical site of WR's birth, the hamlet also has agricultural goods including durian and medicinal herbs, as well as natural features in the Menoreh region. The author of the Indonesian national anthem is Soepratman.

These local assets create opportunities for the development of creative economy activities that support sustainable tourism. Agricultural products can be transformed into value-added culinary goods, herbal products, and educational agro-tourism experiences. Cultural heritage can also be integrated into tourism programs through storytelling, local festivals, historical tours, and creative performances.

Community participation is essential in maximizing Somongari's tourism potential. Through collective organization and entrepreneurship, local communities can develop tourism products that reflect local identity while generating income. Creative economy initiatives may involve youth participation in digital promotion, women's involvement in culinary businesses, and collaborative tourism management.

The development of community-based creative economy activities in Somongari aligns with sustainable tourism principles because it integrates economic empowerment, cultural preservation, and environmental awareness. By strengthening local entrepreneurship and promoting authentic tourism experiences, Somongari Tourism Village can improve its competitiveness while maintaining community resilience.

Conceptual framework

From what we can tell from the research, the theoretical groundwork for long-term success in tourist towns can be found in community-based tourism. By adding value to local resources and cultural treasures, the creative economy enhances this framework and creates tourist experiences that are not to be missed. Tourism villages serve as platforms where local communities actively participate in tourism activities, while community-based creative economy development strengthens entrepreneurship, empowerment, and innovation.

Within this framework, sustainable tourism outcomes are achieved through the interaction of community participation, creative economy development, local entrepreneurship,

governance, and cultural preservation. In the case of Somongari Tourism Village, these interconnected dimensions illustrate how creative economy initiatives can support sustainable tourism while enhancing community welfare and local competitiveness.

3. Proposed Method

Research Approach

The purpose of this qualitative study is to investigate how Somongari Tourism Village has fostered a creative economy based on local residents in order to promote ecotourism. The justification for the use of qualitative research is in its capacity to elucidate social phenomena, community involvement, local knowledge, and the significance that stakeholders in the creative economy and tourism place on these concepts. The qualitative approach enables researchers to examine complex relationships between tourism development, creative economic practices, and community empowerment within a specific socio-cultural context.

The research adopts a descriptive qualitative design, which aims to provide a comprehensive understanding of how community-based creative economy initiatives are developed and implemented in Somongari Tourism Village. Through this approach, the research seeks to identify community perceptions, local participation patterns, governance structures, entrepreneurial activities, and sustainability practices that contribute to tourism village development. Using a descriptive qualitative approach, this research seeks to illuminate the process by which Somongari Tourism Village's community-based creative economy projects come to fruition. Through this approach, the research seeks to identify community perceptions, local participation patterns, governance structures, entrepreneurial activities, and sustainability practices that contribute to tourism village development.

Research Site

The study takes place in the Somongari Tourism Village in the Central Java Region of Indonesia, more specifically in the Purworejo Regency. Natural tourist potential, agricultural resources, cultural legacy, and expanding tourism-related economic activities are some of the reasons why Somongari Tourism Village is chosen as the site of the study. The village also represents a relevant case for examining how local communities integrate creative economy initiatives into tourism development.

Somongari Tourism Village has emerged as a destination with strong community participation and local identity, making it suitable for investigating the correlations between creative economy development and sustainable tourism practices. The village's cultural assets, agricultural products, and tourism initiatives provide an opportunity to analyze how local resources are transformed into economic value through community engagement.

Data Source

To guarantee thorough comprehension and to triangulate results, this study employs primary and secondary data sources. Primary data are collected directly from participants involved in tourism and creative economy activities in Somongari Tourism Village. Informants include: Village government representatives, Tourism village management groups, Community leaders, Local entrepreneurs and creative economy actors, Homestay owners, Youth groups involved in tourism promotion. Secondary data are obtained from supporting documents such as: Village development reports, Tourism village profiles, Government publications, Policy documents related to tourism and creative economy, Academic journals and previous studies, Statistical reports and tourism data, Secondary sources provide contextual understanding and support data interpretation.

Data Collection Technique

In order to get detailed and rich information, data is collected using a number of qualitative methods.

In-Depth Interviews

Semi-structured interviews are used to explore participants' experiences, perceptions, and perspectives regarding community-based creative economy development in Somongari Tourism Village. Interviews allow flexibility while maintaining focus on research objectives. Questions address topics such as community participation, creative business development, tourism management, local challenges, and sustainability practices.

Observation

Participant and non-participant observations are conducted to understand the daily activities, tourism practices, creative economy operations, and social interactions within the village. Observation enables researchers to directly assess how tourism activities are implemented and how community members engage in creative economy initiatives.

Documentation Study

Documentation analysis is carried out by reviewing written records, photographs, village planning documents, tourism promotional materials, and policy reports. This technique helps strengthen data validity and provides additional evidence to support findings.

Sampling Technique

Researchers used a purposive sample technique to find people who may be useful for the research because of their expertise in the fields of tourism and creative economy growth. With the use of purposeful sampling, researchers may choose informants according to predetermined criteria that are in line with the goals of the study.

Criteria for participant selection include: Active involvement in tourism village management. Participation in creative economy activities. Experience in community empowerment programs. Knowledge of tourism village governance and local entrepreneurship. This sampling strategy ensures that the data collected reflect diverse perspectives from key stakeholders involved in tourism village development.

4. Results and Discussion

The data and discussion above show that Somongari Tourism Village's financial management involves more than just technical administration. It also includes social inclusion, intergenerational cooperation, and adaptive innovation. Hariyadi et al. (2024) and Lemunge et al. (2025) highlight recent research on community-based tourism that highlights the importance of economic practices as tools for collective organizing rather than standalone management techniques. According to Purnamawati and Hatane (2024) and Ginting et al. (2024), economic practices including uniform pricing, equal role distribution, and digital involvement help build resilient communities and promote sustainable development. According to Rosalina et al. (2021) and Haulle et al. (2024), community-based empowerment should be the next focus after these dynamics, since the long-term viability of tourist development depends on the involvement of various social groups and the combination of traditional and modern abilities. Financial management is framed within the larger discourse of empowerment. The analysis shows that communities become resilient and competitive when they mobilize social capital, have participatory governance, and share responsibility, in addition to having stable economies (Zhang et al., 2024; Scheyvens & van der Watt, 2021).

Community-Based Empowerment

Somongari Tourism Village is structured in a way that encourages involvement from people of all ages and both sexes. Chairperson and secretary roles are filled by more senior members, while guidance services, public relations, and information technology are handled by younger members. In a healthy regeneration, when digital innovation supplements traditional knowledge, there is a balance between generations. Findings from studies on sustainable tourism's intergenerational knowledge sharing show that various generations' strengths complement one another in community development. For example, while younger generations bring technological competencies, older generations bring experiential wisdom (Burmeister A., 2020; Rastegar R., 2024). Generation Z and older generations participate in a two-way flow of information when it comes to sustainable tourism development, which is

acknowledged as a task that spans generations and requires collaborative efforts from all age groups (Nørtøft K., 2024; Wang, 2023).

To further emphasize the universality of economic empowerment and to ensure that community-wide rather than male-dominated tourist growth, women are included as treasurers and guesthouse managers. Sustainable Development Goal 5 on Gender Equality is one of those that are compatible with gender equality in tourism (Arroyo C. G., 2024; Ferguson L., 2015). This goal aims to ensure that women are able to move away from traditional household duties and into positions of revenue generating and community leadership. In order to empower women, research shows that community-based tourism efforts may be a game-changer. These programs allow women to take on leadership roles, work as workers, and preserve their traditions in a way that is meaningful to them (Boley B. B., 2017). According to recent works on the topic, empowerment should be seen as an inclusive process that makes locals the main players in development, giving them more say over their own lives and communities (Kabeer, 2021; Scheyvens, 2020). According to Abou-Shouk et al. (2021) and Bagheri et al. (2023), financial management in this setting serves as both a technical mechanism and a tool for establishing social cohesiveness via the distribution of duties and obligations.

Gender Distribution in Tourism Village Management Roles
Gender Distribution in Tourism Village Management Roles

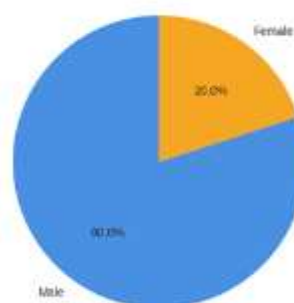


Figure 1. Gender Distribution in Tourism Village Management Roles

Gender distribution in tourist village management positions are shown in the pie chart. While males make up around 80% of the workforce, mostly in guiding and technical duties, women make up about 20% and are mostly found in administrative, domestic, and financial management positions. Although this distribution shows that community-based tourist governance is inclusive, it also shows that there is a male-dominated system that has to be addressed in order to attain complete gender parity (Ghanian, 2020; Quang T. D., 2024)). According to research on homestay tourism, which has shown that women's involvement correlates with more sustainable resource management and culturally sensitive development practices, the chart backs up the discussion that women play crucial roles in financial accountability and hospitality, contributing significantly to empowerment despite their smaller representation (Dong S., 2023; Kuma F. M., 2023).

Price Agreements as a Financial Strategy

The data of room rates for the homestays in Somogari Tourism Village as follows:

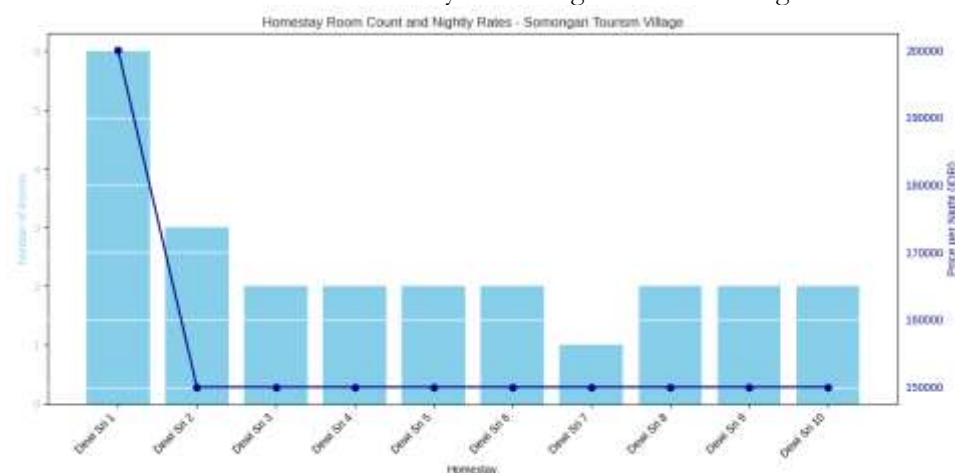


Figure 2. Homestay Room Count and Nightly Rates.

The data from homestays shows that the rooms are consistently furnished and cost between IDR 150,000 and 200,000 per night. By avoiding destructive internal rivalry and guaranteeing equal earning prospects, this collective agreement exemplifies solidarity in financial management. According to studies on homestay pricing techniques, community-based tourism with uniform pricing mechanisms helps keep the peace and ensures that all participating families gain economically (Dey B., 2024; Rawat, 2020). Collaborative pricing agreements promote social cohesiveness in community-based tourist environments by limiting harmful competition that might weaken community solidarity (Charoenpokaraj N., 2024; Pasanchay K., 2021).

Although this approach promotes equity, it hinders competitiveness in foreign markets since services are not differentiated. Financial management, according to recent works in tourist economics (Moraru, 2021; Nusraningrum D., 2022) has to strike a balance between internal stability and external innovation in order to attain a competitive advantage that can be sustained. Research on rural homestays for tourists suggests that, while CPAs keep communities together, in order for locations to be competitive in more globalized tourist markets, they need to find ways to stand apart (Martín-Delgado L. M., 2020; Tu, 2025). Although diversification initiatives are still needed to increase competitiveness in the larger tourist scene, pricing agreements in Somongari function as tools of social peace (Cors-Iglesias M., 2020; Ilieva, 2022).

Service Homogeneity and Entrepreneurial Limitations

Baths, minimal amenities, plain meals, and bottled water are examples of homestay facilities that show a common minimum service level. Domestic tourists profit from this uniformity, while overseas visitors typically seek value-added services, and this consistency inhibits such chances. Although standardizing service offerings ensures consistency, it may restrict the potential to capture varied market groups with variable expectations and willingness to pay, according to research on homestay tourism in developing countries (Sharma, 2023; Thakur S., 2023). Entrepreneurial development and the capacity to adapt to developing tourist tastes are hindered when financial management is focused on income stability rather than creative investment (Utami D. D., 2023; Zhou, 2024).

Increasing a destination's competitiveness via uniqueness is a prominent theme in recent works on strategic management. This is especially true in oversaturated tourist sectors, where distinctive products and services may provide long-term benefits (Dwyer, 2023; Nusraningrum D., 2022). Tourism pricing innovation methods and differentiated goods enhance the excellence of services, as shown by the positive and substantial effects of product differentiation on service quality and tourist satisfaction (Wang, 2023; Yeung S., 2024). In order to fulfill the expectations of a diversified market and attract higher-value tourist segments, Somongari's financial management is still in its early stages and should prioritize creative diversification (Albarq, 2022; Babu, 2021). Opportunities to improve competitiveness while preserving community cohesion may be found via differentiation techniques, such as offering unique cultural experiences, premium lodging alternatives, and specialized tourist packages (Advisors, 2023; Cognitivemarketresearch, 2024).

Youth Participation in Digitalization

With the help of its youthful management, Somongari Tourism Village is well-positioned to take advantage of digital potential. The next generation has the potential to revolutionize marketing via the use of social media, increase internet visibility, and digitize financial records if they are more literate in technology. Deb et al. (2024) and Iglesias-Sánchez et al. (2019) cite research on digital marketing in tourism that shows how social media has become an essential tool for tourist organizations. It helps with consumer interaction, enables tailored communication, and boosts competitive positioning. For community-based tourism businesses looking to connect with tech-savvy consumers, the emergence of social media is a great way to reach more people and close the digital gap (Abaddi, 2024; Liu, 2019).

These techniques are crucial in a time when digital information access shapes tourism trends. Research shows that most tourists from Generation Z use digital marketing alternatives when deciding where to go (Islam, 2021; Roller, 2023). Chong (2023) and Tham et al. (2024) found that social media marketing methods, such as influencer marketing, user-gener-

ated content, and tailored advertising, had a beneficial impact on trust and credibility, especially among younger demographics. The involvement of young people, backed by open and honest financial management, increases responsibility and opens up new digital markets (Deb S. K., 2024; Matikiti R., 2021). Digitalization, according to social innovation theory, is a community's way of adjusting to outside forces; it shows how empowerment happens via sharing responsibilities and learning new skills that are useful in today's tourist industries (Melián-Alzola L., 2020; Ndou V., 2022). Managers of rural tourist villages are using digital information such as images, videos, and graphics more and more as a means to attract and engage tourists (Dewantara, 2022; Sulisty A., 2023).

Visitor Fluctuations as a Sustainability Challenge

Variations in domestic and foreign visitor arrivals during a three-year period are seen in the following line chart:

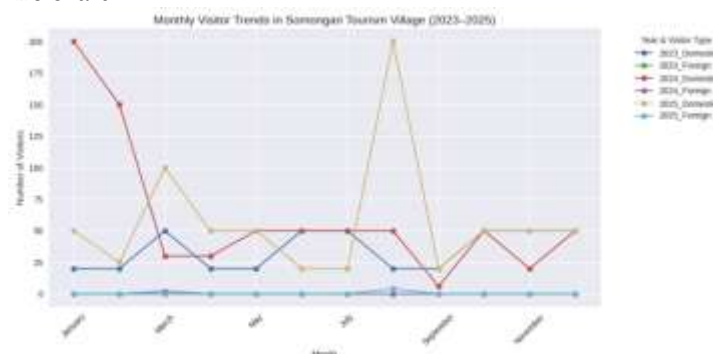


Figure 3. Visitor Trends in Somongari Tourism Village (2023-2025)

Significant changes are seen by the visitor statistics from 2023 to 2025. In 2023, the number of visitors stayed consistent at 20 to 50 per month, which is typical for a newly developed resort. visitors' arrivals in 2024 peaked in January and February with 200 and 150 visitors, respectively, before plummeting in September with just 6 guests. The data for 2025 is limited, but the peak in August (200 visitors) indicates that the year is heavily dependent on holidays and special events. Arrivals from other countries were few and unreliable.

Because revenue is inconsistent throughout the year, these swings show how fragile tourist sustainability is. According to UN Tourism (2024) and Bisht et al. (2025), destinations that experience significant seasonal swings often encounter a range of difficulties, such as high pricing and crowds during peak seasons and a dearth of services and employment possibilities during low seasons. Tourism operators have difficulties in long-term profitability due to cash flow challenges caused by the unpredictable nature of seasonal swings, which makes it difficult to plan and manage inventories and resources efficiently (Cognitivemarketresearch, 2024; Koens K., 2018). This inconsistency presents difficulties for fiscal management in the areas of long-term planning and equitable distribution of revenue within the community (Jacobsen, 2022; Milano, 2024)

This may be mitigated by using diversification techniques that draw in tourists during non-peak seasons, such as culinary tourism, educational packages, and cultural events. The importance of tourism destinations implementing strategies such as off-peak promotions, diversifying their target markets, and exploring alternative revenue streams to sustain business operations during slower seasons has been highlighted in research on tourism seasonality management (Dwyer, 2022). Constant innovation is necessary to maintain competitiveness and forestall the decline of destinations, as highlighted by the tourist area life cycle theory, which highlights the inevitable oscillations in visitor arrivals (Butler, 2024; Marsiglio S., 2024). Sustainable tourism management takes into account economic, social, and environmental factors; alternative metrics for development success beyond visitor numbers include resident well-being and visitor satisfaction (Agarwal, 2022; Butler R. W., 2022). According to Kalogiratos et al. (2024) and Hell and Petrić (2021), financial management has to go beyond only collecting revenue to serving as a tool for strategic planning in order to ensure economic sustainability. This includes doing things like predicting demand, adjusting prices according to seasons, and launching efforts to diversify products.

Synthesis of Findings

In Somongari Tourism Village, the financial management serves as a tool for community empowerment in three main ways: digital innovation potential, fair pricing agreements, and inclusive role distribution. The current frameworks on community-based tourism highlight the importance of social capital, participatory governance, and adaptive capacity in sustainable destination development. These aspects coincide with these (Hariyadi B. R., 2024; Lemunge, 2025). Yet, problems with differentiating services and unpredictable visitor numbers need strategic actions that strike a compromise between community cohesion and market competitiveness ((Nusraningrum, 2022; Tu, 2025)

Innovative techniques that boost competitiveness and guarantee sustainability must be integrated into financial management to meet these challenges. The success of community-based tourism, according to research (Rosramadhana R., 2024; Widayati, 2024), depends on social methods that are inclusive and equitable and include multiple stakeholders, in addition to economic strategies and legislative frameworks. The combination of social, economic, and innovative aspects in sustainable destination development is emphasized in the larger body of research on community-based tourism empowerment (Butler, 2024; Scheyvens, 2021), which is consistent with our results. The inclusion of underrepresented groups, such as young people, women, and the elderly, in tourism activities promotes inclusive growth in all areas of society, including the economy, culture, and the environment (Sun et al., 2024; Paunović et al., 2022). Utami et al. (2023) and Rastegar et al. (2024) suggest that in order for Somongari Tourism Village to maintain a competitive edge in the expanding rural tourism sector of Indonesia, it should think about differentiating its products, increasing its digital marketing capabilities, creating off-season tourism packages, and bolstering its mechanisms for intergenerational knowledge transfer.

5. Conclusions

Sustainable tourism in Somongari Tourism Village is greatly enhanced by community-based creative economy development, according to this research. Possibilities for tourist development that boost economic advantages, social cohesiveness, and local identity preservation arise when local inventiveness, cultural assets, and community involvement are integrated. By including locals in the decision-making process and providing them with real benefits, a community-based approach to tourist development makes it more inclusive.

The findings indicate that creative economy initiatives—such as culinary products, agrotourism, cultural performances, local crafts, and digital promotion—contribute to diversifying tourism attractions while generating additional sources of income for local communities. These activities reinforce the uniqueness of Somongari Tourism Village by transforming local resources into value-added tourism experiences. Community participation, particularly among women and youth, also strengthens entrepreneurship, innovation, and intergenerational collaboration, which are essential for sustaining tourism development over time.

Furthermore, sustainable tourism in Somongari Tourism Village is closely linked to participatory governance and collective management. Community involvement in tourism planning and implementation fosters a sense of ownership, strengthens local resilience, and encourages equitable distribution of benefits. But there are still a lot of obstacles to overcome, such as a lack of resources for management, a dip in demand from tourists at certain times of the year, and an absence of comprehensive marketing plans and product diversification.

Overall, community-based creative economy development can be understood as a strategic pathway for achieving sustainable tourism in rural destinations. By integrating economic empowerment, cultural preservation, and local participation, Somongari Tourism Village demonstrates how creative economy initiatives can strengthen community resilience and improve destination competitiveness. Future development should focus on enhancing institutional capacity, expanding creative tourism products, and strengthening collaboration among stakeholders to ensure long-term sustainability and inclusive growth.

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