



## Analysis of the Application of Blue Ocean Strategy (BOS) in the Digital Transformation of MSMEs: A Literature Study to Increase the Buying Interest of Generation Z in Ambon City

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### ARTICLE INFO

*Keywords:* Blue Ocean Strategy, Digital Transformation, MSMEs, Generation Z, Ambon City

*Received :* 28, June

*Revised :* 27, July

*Accepted:* 31, August

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### ABSTRACT

This research aims to analyze the application of Blue Ocean Strategy (BOS) in the digital transformation of MSMEs in Ambon City to increase Generation Z's buying interest. Through a literature study approach, the results show that BOS is able to create new markets with local wisdom-based value innovations, such as creative culinary and fashion with Moluccan nuances combined with digital strategies. This transformation avoids fierce competition (red ocean) by leveraging Generation Z's preference for practicality, personalization and sustainability. The main challenges include limited digital infrastructure and human resources, but great opportunities lie in multi-stakeholder collaboration, utilization of digital platforms, and government support through training and development of MSME-specific applications. The findings provide practical recommendations for MSMEs and policy makers to optimize Generation Z's market potential and strengthen the local economy.

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## INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) play a significant role in the Indonesian economy, both in terms of contribution to the local economy, Gross Domestic Product (GDP) and employment. Based on data from the Ministry of Cooperatives and MSMEs, it shows that of the 65.5 million business units recorded in 2023, their contribution to national GDP reached 61% or 9,580 trillion. (Indonesia, n.d.). According to data from the Coordinating Ministry for Economic Affairs of the Republic of Indonesia, the contribution of MSMEs to Indonesia's national exports will reach around 15.7% of total exports in 2024. In addition, this sector is able to absorb 97% of the total workforce in Indonesia. (RI, 2023).

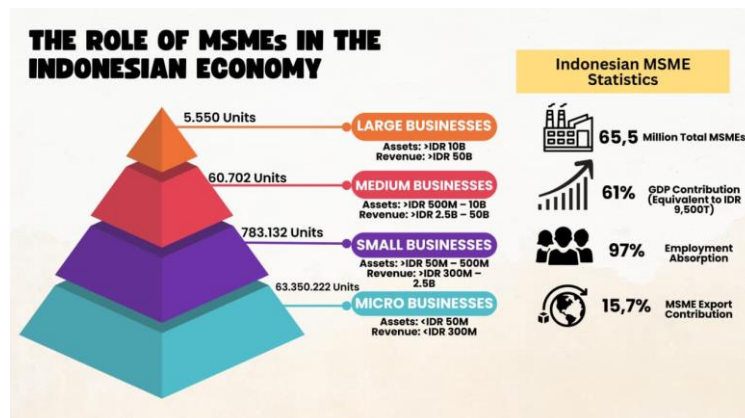


Figure 1. Indonesian MSME Statistics

Based on data from the Ambon City MSME Cooperative Office in 2022, there were 29,240 MSME units operating in the region. However, despite its large contribution, the growth of this contribution has not been proportional to the increase in the number of MSME players in the country. This fact indicates that the potential of MSMEs has not been fully utilized optimally, especially since they face multidimensional challenges.

Micro, Small and Medium Enterprises (MSMEs) face various multidimensional challenges in their development, including aspects of human resources, infrastructure, social networks, and changes in consumer behavior. According to Tambunan (2022), one of the main obstacles hindering the economic growth of MSMEs is the limited digital infrastructure in Indonesia. Research by Suman and Kaluge (2021) further reveals the characteristics of MSMEs, which include limited production capacity with minimal product variety, an unoptimized financial management system, and low quality of human resources with uneven distribution of technical production competencies.

The various challenges faced by MSMEs in their development and the continued emergence of new competitors in the market as well as the rapid development of technology in the industrial era 5.0, MSMEs are required to innovate and adapt to changes and surrounding pressures. For MSMEs (Micro, Small and Medium Enterprises), avoiding unhealthy price competition is the key to business sustainability. One solution to this multidimensional challenge

is to implement a blue ocean strategy (BOS), which is a business approach that focuses on value innovation to create new markets without intense competition. Through this strategy, MSMEs are not only able to provide unique value to customers, but can also create demand in untapped markets. The key lies in value innovation, which reduces production costs while increasing product value by eliminating conventional competitive factors and adding new elements that do not yet exist in the industry. Thus, this strategy not only encourages creativity in business, but also creates new opportunities for market dominance.

BOS is also in line with Generation Z's preference for innovation, personalization, and sustainability in shopping. As active consumers with increasing purchasing power, Generation Z is not only a potential market for MSMEs, but also acts as a strategic partner in creating new markets. Based on data from the Central Bureau of Statistics (BPS) in 2023, Generation Z dominates the Indonesian population structure with 74.93 million people or 27.94% of the total population. Based on data from the Central Statistics Agency (BPS) of Ambon City in 2023, the number of Generation Z in Ambon City and its surroundings reached 92,030 people. Demographic projections also show that by 2030 the number of Generation Z in Indonesia will reach 83.4 million people, which will make them the main drivers of the digital economy. Based on iPrice data, e-commerce transactions in Indonesia recorded a value of IDR 401.3 trillion in 2023 and are projected to grow to IDR 503 trillion in 2024. This significant transaction is due to Generation Z's consumptive nature in e-commerce. By understanding Generation Z's preferences and starting to leverage digitalization, MSMEs can transform into digital MSMEs, such as marketing through social media, digital payments, e-commerce or automation to address the specific needs of this young market. With this strategic approach, MSMEs not only avoid the pitfalls of unfair competition, but also build difference. By understanding Generation Z's preferences and starting to leverage digitalization, MSMEs can transform into digital MSMEs, such as marketing through social media, digital payments, e-commerce or automation to address the specific needs of this young market. With this strategic approach, MSMEs not only avoid the pitfalls of unfair competition, but also build unique differentiation.

This study aims to analyze the application of BOS in driving the digital transformation of MSMEs in Ambon City, while providing significant theoretical and practical contributions. From a theoretical perspective, this study enriches the literature by adapting the BOS concept to the context of digital MSMEs and the behavior of Generation Z, a key demographic group with unique characteristics. More specifically, such an integrated approach has rarely been explored in previous research. Through the literature approach, this research seeks to identify the BOS concept and its relevance for MSMEs in the digital era, analyze the characteristics and preferences of Generation Z's buying interests and explore innovative strategies that can reduce conventional competition (red ocean) by creating new markets that have not been tapped by Ambon City MSME players. In addition, this research aims to provide practical

recommendations for MSMEs and policy makers in optimizing purchasing power among generation Z by utilizing BOS-based digital transformation, so as to encourage local economic growth (MSMEs). By combining theoretical analysis and practical application, this research not only addresses actual challenges in the field but also offers a framework that can be adapted for other regions with similar characteristics.

Previous research has explored the application of blue ocean strategy and the role of Generation Z separately. However, this research combines the two to build a unique and holistic differentiation, tailored to the specific needs of MSMEs in Ambon City.

Research results (Saputri & Mulyaningsih, 2015) There are 8 value standards that apply in competition, namely volume, price, prestige, quality, promotion, service, variety, and delivery accuracy. Most companies try to win the competition in these aspects. In particular, Kedai Digital has created 3 value innovations that differentiate it instead of jumping into the red ocean. The value innovations are free design, unique location, and one-stop shopping concept. These values have made Kedai Digital a leading company in the industry and may have made competition irrelevant.

Research results (Adetya & Aulia, 2024) BOS implementation has a positive influence on competitive advantage, organizational performance, marketing, and innovation in enterprises. The application of BOS is very important in various sectors of MSMEs around the world. BOS can help MSMEs improve their internal development, business performance, and achieve sustainable growth through new innovations and finding market space where there are no competitors.

Research results (Rohmatiah et al., 2025) revealed the importance of the role of entrepreneur universities in supporting the development of MSMEs in Magetan Regency. This role is realized through the involvement of Generation Z, especially students, as agents of change. By utilizing the technological expertise of this generation, MSMEs can increase their growth and competitiveness. The form of support includes training for MSME players in marketing products online, either through social media or e-commerce platforms or marketplaces.

Research results (Ramdhani & Agung Rashif Madani, 2024) Generation Z plays an important role in driving the progress of MSMEs through the implementation of digitalization. With the adoption of digital technology, MSMEs can expand their market reach and increase business effectiveness through e-commerce and digital marketing. The main support comes from the high usage of internet and social media in Indonesia. Generation Z's digital expertise allows them to contribute significantly to the development of MSMEs.

This research aims to fill the literature gap by examining the practical implementation of these strategies in MSMEs to increase Generation Z's buying interest, so as to encourage the growth and sustainability of small businesses in Ambon and Indonesia more broadly.

## LITERATURE REVIEW

### *Blue Ocean Strategy*

Strategy is defined as a set of competitive actions that include analyzing competitor performance (competitive benchmarking) and attempting to create a competitive advantage in a competitive environment (Kim & Mauborgne, 2005). To build a competitive advantage, companies need to evaluate the current position of competitors, and then try to excel in the competition (Kim & Mauborgne, 1997).

Kim & Mauborgne (2005) further explained that a strategic approach can distinguish between successful and less successful companies. Most companies apply a traditional approach with a focus on being a leader in the competition. This is known as the Red Ocean strategy. On the other hand, successful companies focus on aspects outside of competition, making competition irrelevant. The main goal is not to find gaps in existing industry competition, but to create new markets that are aligned with the company's advantages. This strategic approach is referred to as the Blue Ocean Strategy. (Aristami, 2025). In other words, the red ocean forces companies or MSMEs to fight in an increasingly narrow market while the blue ocean opens up unlimited space for innovation and new value creation.



Figure 2. Red Sea and Blue Sea

Table 1 Difference Between Red Ocean and Blue Ocean

<b>Red Ocean</b>	<b>Blue Ocean</b>
Competing within an existing market space	Create a market space where there are no competitors
Trying to win the competition	Making competition irrelevant
Exploit existing demand	Create and capture new demand
The value-cost trade off	Breaking the cost-value trade-off
Integrating the entire system of a company's activities with the strategic choice between differentiation or low cost	Integrating the entire system of a company's activities in pursuit of differentiation and low costs

In formulating the blue ocean strategy, Kim (2008) suggests 6 principles, namely:

1. Reconstructing market boundaries. MSME players must break down common boundaries in order to create new market segments and provide a business experience by utilizing existing technology. Such as ease of making

transactions, ease of shopping, product innovation that has never been thought of by utilizing technology.

2. Strategic planning should focus on the big picture not the numbers. By building strategic planning on a strategic canvas, MSME players can focus their main attention on the big picture of their business.
3. Market reach must exceed consumer expectations
4. Execute the right strategic sequence
5. Overcoming key business barriers, be it cognitive barriers, natural resource barriers, or human resource barriers.
6. Integrate execution into the strategy through various approaches in order to achieve long-term commitment (Saputri & Mulyaningsih, 2015).

#### *Generation Z*

Generation Z is often referred to by various terms such as “Post Millennials”, “Digital Natives”, ‘iGeneration’, or “Next Generation” (Csobanka, 2016). They are the first generation to have fully grown up in the internet age, hence the term digital native or iGeneration (Najah, 2022). This generation includes those born between 1996 and 2012.

The main characteristics of Generation Z include the understanding and ability to use various technologies, including social media for promotion. They are also known as a generation that enjoys socializing and expanding their network of friends. Multitasking ability is another characteristic, where they can work on several tasks at once.

This generation has a great ambition to succeed with a strong desire to be a successful person. They tend to be practical and like instant things, and are often considered impatient with complicated things. A high level of self-confidence is also one of their characteristics, followed by the need for recognition of their digital capabilities (Rini, 2016).

Generation Z tends to choose e-commerce platforms for shopping because of their trust in digital services, easy access to product information, and the ability to compare prices in real-time (Vieira et al., 2020). This consumption pattern encourages them to play an active role in helping MSMEs adopt digital technology for business development. In the midst of the industrial revolution 5.0 era, businesses have the opportunity to transform business models through the use of digital technology.

According to Anatan & Nur (2022), this transformation includes the use of social networks, fundamental changes to the core business, focus on product and process development, and organizational restructuring to support the implementation of complex digital transformation.

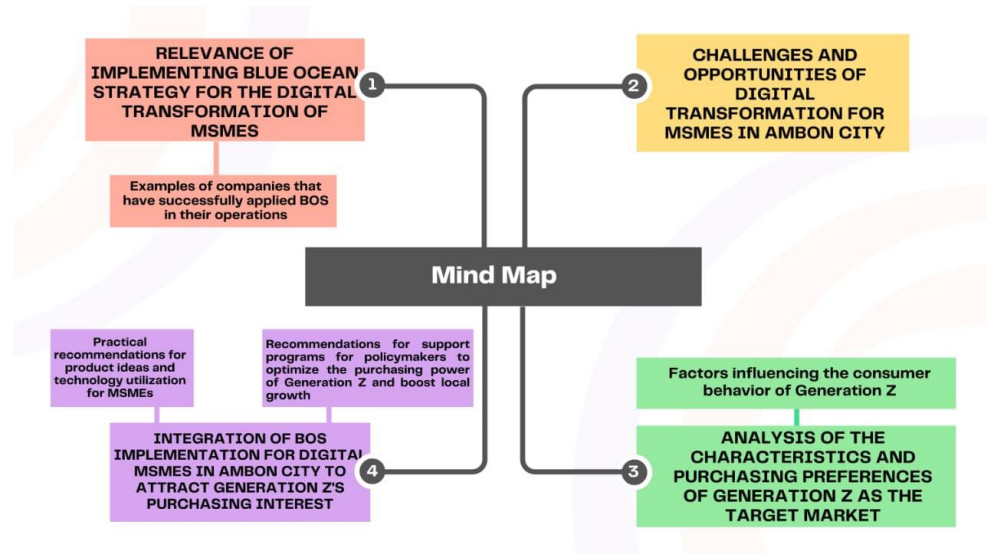


Figure 3 Mind Map

## METHODOLOGY

This research uses a qualitative method in the form of a literature review or literature study with a descriptive approach. Literature study is research that analyzes various reference books and relevant previous research findings in order to build a theoretical basis related to the theoretical issues under study. Research activities include collecting, reading, recording what is needed to achieve goals. Through this method the author can analyze, compare, and interpret the concepts, theories and practices of applying blue ocean strategy in the digital transformation of MSMEs in Ambon City, especially increasing the buying interest of Generation Z in the area based on existing perspectives and findings. The data collection stage carried out by researchers by reviewing various literatures, then filtering them based on the level of credibility and relevance to the research topic.

## RESULT AND DISCUSSION

The relevance of implementing blue ocean strategy for the digital transformation of MSMEs Businesses or MSMEs that implement blue ocean strategy create new markets through value innovation. This value innovation combines increasing value for consumers with business innovation simultaneously, where MSME players create superior value in two ways, namely first, emphasizing costs through eliminating or reducing traditional competition factors. Second, increasing product value by adding new elements that do not yet exist. This process then creates a positive cycle where the superior value offered drives an increase in sales volume, which in turn results in greater economies of scale and more efficient costs.

In the context of digital MSME transformation, blue ocean strategy can create new markets by utilizing technological developments as a key enabler in building competitive advantage. Both in terms of marketing, which is more focused on promotion through digital platforms such as TikTok, Instagram, and Facebook, it allows MSMEs to reach a wider market at a more efficient cost.

Creative video-based content and direct interaction with consumers creates brand awareness that is difficult to achieve through traditional methods, it can also create operational efficiency by replacing physical infrastructure with digital platforms (e.g., e-commerce, or online management systems) that can cut operational costs by 40-60%. These savings can be redirected to improve product or service quality, while creating added value for customers.

Some companies in Indonesia that have successfully implemented blue ocean strategy in their business operations are tvOne television station and leading telecommunication companies such as Telkomsel, Indosat, and XL Axiata. Some of the most successful examples of blue ocean strategy implementation on a global scale can be seen in the success of Yamaha Mio and Apple iPod. Yamaha successfully created a new market by introducing the Mio scooter which was radically different from the conventional motorcycles dominated by Honda at the time. By targeting a new segment of female riders, Yamaha not only created an innovative product but also opened up a whole new market. Another equally phenomenal example is the success of the Apple iPod in revolutionizing the digital music industry. Unlike traditional music players such as Sony's Walkman or CD player, iPod offers the concept of music digitization with a very user-friendly interface. This innovation allowed Apple to dominate the digital music market and leave Sony behind who remained with a conventional business model.

Although the blue ocean strategy creates a new market that is free from competition, there are still challenges in this strategy in MSMEs, namely limited human resources in understanding technology so that there can be errors in covering data or ignorance in using the technology and lack of intellectual property rights protection. Although companies succeed in creating innovative breakthroughs and opening new market categories, they often face vulnerability to imitation practices. This condition allows competitors to easily copy the innovative product or service in the future, thus reducing the initial competitive advantage that has been built.

#### *Challenges and Opportunities for Digital Transformation of MSMEs in Ambon City*

The process of digital transformation in MSMEs in Ambon City has fundamental challenges in the form of limited resources, including aspects of financing, infrastructure, and understanding of digital technology. These structural barriers are often the main hindering factors in the adoption of technological innovations for MSME actors. Furthermore, the wide digital divide between MSMEs in urban and rural areas further exacerbates this condition, especially in terms of the availability of accessing internet networks because stable and quality networks are not yet evenly distributed and basic technological devices, making it difficult for them to take advantage of the various possibilities offered by the digital economy. Many MSME players in Ambon City, especially the older generation, are still unskilled in using e-commerce applications, business social media, or digital payment tools.

Opportunities for digital transformation in MSMEs in Ambon City are the participation of the Ambon City Government in supporting digital-based MSMEs and the contribution of the Maluku Province Branch of Bank Indonesia

which continues to hold digitalization events and coaching so that it can help MSME players to gain technical knowledge and change their perspective on the potential of the digital market. (Agoha et al., 2025). With the analogy of using a cellphone at least one person one cellphone, the potential for Ambon City people with productive age 17-65 years have a personal cellphone and 60% of these cellphone users are active on digital platforms and screen time. Then digital-based MSMEs have a great opportunity.

*Analysis of the Characteristics and Preferences of Generation Z Buying Interest as a Target Market*

Data from the Central Statistics Agency (BPS) of Ambon City in 2023 shows that the total population of Generation Z in the Ambon City area is 92,030 people with a distribution in 5 sub-districts namely Nusaniwe, Sirimau, South Leitimur, Teluk Ambon Baguala, and Teluk Ambon. This data will continue to increase as more people move from outside Ambon Island to Ambon Island. As a consumptive generation, Generation Z has preferences and characteristics in their purchase intention decision making, especially Generation Z in the Ambon City area. One of the characteristics of Generation Z in doing everything is anti-complicated, practical and likes to go through a path that provides convenience in life. Their nature like this makes them inclined to adopt e-commerce and mobile payment. The ability of e-commerce to provide a shopping experience that is practical, personalized and tailored to individual preferences is a major attraction for Generation Z.

The utilization of social media as e-commerce has been a major catalyst in shaping Generation Z's consumption patterns, while opening a new chapter in digital marketing strategies. Platforms such as Instagram, TikTok, and Facebook do not merely serve as entertainment channels, but have transformed into virtual marketplaces where Gen Z explores products, analyzes reviews, and interacts directly with influencers who become their trusted advisors. The influencer marketing phenomenon thrives among this generation as their unique characteristic is that they are more easily swayed by the recommendations of the figures they follow than conventional advertising. The support of visual content features (such as short videos on TikTok or Instagram Reels) and high interactivity (live shopping, Q&A) enables deep emotional engagement between brands and consumers.

Generation Z also shows unique preferences in their shopping behavior, especially in liking products with designs or packaging that carry cute concepts (aesthetic or kawai). This characteristic is reflected in the trend of lifestyle products to food and beverage categories that emphasize attractive visuals, bright colors, and cute shapes. However, behind the connection to fun visuals, Generation Z is also very critical of product quality, especially when it comes to food and beverages. They not only look for instagrammable shapes, but also demand authentic flavors and good taste. It is this combination of visual appeal and quality that makes Generation Z a unique consumer. They want products that are eye-catching while meeting taste standards.

Another preference is that Generation Z shows a strong inclination towards integrated omnichannel shopping experiences. They naturally combine

digital and physical shopping activities, such as searching for product information online before buying at offline outlets, or vice versa, trying products in stores and then completing the purchase through digital platforms. This hybrid consumption pattern reflects Gen Z's need for e-commerce convenience as well as the sensory experience of conventional shopping. Responding to this behavior, MSME players are required to build a unified retail ecosystem, where every point of interaction both digital and physical must be designed coherently to meet the expectations of a generation that wants smoothness, efficiency, and connectedness in every shopping experience. In addition to their preference for an integrated omnichannel shopping experience, Generation Z also places sustainability and ethical consumption as top priorities in their shopping behavior. This generation shows a high awareness of environmental and social issues, so they tend to choose brands that consistently implement sustainable business practices. Their brand selection criteria include: use of environmentally friendly materials, efforts to minimize carbon footprint, and support for fair trade practices. Company transparency regarding supply chains and production processes is another determining factor that Gen Z considers in making purchasing decisions. For MSME players, a commitment to sustainability is not just a marketing strategy, but a long-term investment to build loyalty and trust in a market that increasingly prioritizes ethical and ecological values. For this one characteristic, it is not fully relevant to the characteristics of Generation Z in Ambon City, because there are still few Generations Z in Ambon City who are aware of this urgency.

Table 2. Factors that Influence Generation Z Consumer Behavior

<b>Cultural Factors</b>	Generation Z today is heavily influenced by popular culture, especially Kpop and the Korean lifestyle. This encourages them to buy various products such as K-pop inspired clothing, cosmetics, skincare and accessories, even though these items are not their primary needs. This phenomenon of following the style of celebrities makes them tend to shop based on the desire to imitate popular trends, instead of considering primary needs.
<b>Social Factors</b>	Generation Z tends to buy certain products due to the influence of friends or influencers on social media. For example, when the trend of labubu and popmart dolls became rampant in 2025, many influences and people competed to buy them and show off on Instagram, they felt compelled to buy similar products so as not to miss the trend or be more accepted in the society.
<b>Personal Factors</b>	Generation Z tends to get a paycheck or extra pocket money, or do activities that are draining and mentally draining will be tempted to spend the money on food or drinks, clothes, skincare and cosmetics as a form of self-reward.
<b>Psychological</b>	Generation Z will be easily tempted after seeing

<b>Factors</b>	advertisements or product reviews from influencers that emphasize grooming and appearance. If they have the idea that the product boosts their confidence or is accepted by others, they might buy it. Influences from psychology, such as the desire to feel better about themselves or improve their self-image, can lead to purchase decisions that are triggered by emotions rather than rationality.
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Integration of the application of blue ocean strategy to digital MSMEs in Ambon City to attract Generation Z purchasing interest Generation Z in Ambon City, which amounts to 92,030 people (BPS, 2023), is a potential target market for MSMEs with unique characteristics such as prioritizing digital practicality, sustainability, and personalized shopping experiences. After looking at the description of the discussion related to the relevance of the application of blue ocean strategy for the digital transformation of MSMEs, challenges and opportunities for digital transformation of MSMEs in Ambon City and analyzing the characteristics and preferences of Generation Z's buying interest, MSME players in Ambon City can create new markets that are aligned with developing innovative products based on Maluku's local wisdom. In the culinary field, innovations such as Sushi Cakalang Abon, which is a sushi innovation that uses coconut rice and is filled with shredded skipjack and cucumber; Sago Cheese Stick, which is a fried snack made from sago and cheese; and Kenyang Bowl Ambon, which is ready-to-eat food for boarding school students and employees with a payment on delivery and digital payment system and attractive packaging design equipped with subscription packages for students and employees. To increase attractiveness, these products can be promoted through live cooking on platforms such as Tiktok. In addition, innovations such as Daun Cengkeh Tea with packaging equipped with a barcode that leads to video storytelling of the production process, as well as Steamed Sago Brownies made from sago flour and wheat flour with walnut topping and Yamin Cakalang Noodles can enrich the diversification of menus made from local ingredients.

Turning to fashion, the greatest potential lies in Maluku-themed products such as t-shirts and beach shirts with typical Maluku summer designs, Modern Kebaya that combines traditional elements with contemporary styles, and accessories such as Maluku sunset motif woven scarves. Necklaces, bracelets, anklets and rings made from seashells. Totebags depicting the beauty of Maluku islands, Maluku patterns and regional heroes, and beach sandals that are made as comfortable as possible with artificial flowers on them or can use Maluku patterns. These products not only highlight cultural identity but can also be marketed as souvenirs for tourists.

Outside of these two fields, business opportunities are also open in the agribusiness sector, for example through Ambon Mini Plants, which sells kitchen spice plant saplings (chili, tomatoes) and vegetables in small, practical pots for urban consumers. In addition, the service of buying and selling seafood and fresh fish with an online ordering system and direct home delivery can

fulfill the community's need for fresh food while supporting local fishermen. This innovation is in line with gen z's practical characteristics and sustainability lifestyle.

The key to the success of this strategy lies in the utilization of digital platforms (e-commerce, social media) and multi-stakeholder collaboration (PEMDA, academics, creative communities). By identifying the Generation Z niche market and avoiding direct competition (red ocean), Ambon City MSMEs can build sustainable differentiation while strengthening local identity in the global era.

Strategic steps that can be implemented by the city government include the creation of a special application for Ambon City MSMEs to facilitate practical buying and selling transactions between sellers and buyers, with integrated digital marketing and electronic payment features. It could also include marketing features for seafood and fresh fish to expand market reach. In addition, the government can include barcodes on the packaging of MSME products that, when scanned, will direct buyers to video storytelling about the production process or the history of the business. To increase consumer confidence, special labels can be given to MSMEs that partner with the government, as well as inviting these MSME players to sell their products in offline city events with digital activation. For distribution and promotion, the government and MSME players can partner with the Unpatti campus for design or student ambassadors. On the capacity building side, digital training needs to be held, including mastery of tools such as social media analytics and digital payment systems. Collaboration with local influencers is also important to promote MSME products through aesthetic and trendy content, according to the preferences of Gen Z who are influenced by pop culture. Product innovation can also be developed through hybrid concepts, such as environmentally friendly packaging made from recycled materials equipped with a QR code connected to a sustainability story, answering the Gen Z paradox that wants practicality as well as commitment to the environment. With the integration of these strategies, it is hoped that Ambon City MSMEs can grow sustainably while competing in the digital era.

## **CONCLUSIONS AND RECOMMENDATIONS**

Based on the research results, it can be concluded that the blue ocean strategy (BOS) is able to create new markets through value innovation, such as product development based on Maluku local wisdom combined with digital technology. This strategy not only avoids fierce competition (red ocean), but also opens up growth opportunities by capitalizing on Generation Z preferences that prioritize practicality, personalization, and sustainability. The main challenges of implementing this strategy include limited human resources, digital infrastructure and uneven internet networks, but the big opportunity for this implementation lies in the support of local governments and the utilization of digital platforms such as social media and e-commerce.

The integration of blue ocean strategy in the digital transformation of Ambon City MSMEs requires multi-stakeholder collaboration, including

technology training, the creation of specialized applications, and promotion through local influencers. Product innovations such as creative culinary and fashion with Moluccan nuances, combined with environmentally friendly packaging and digital storytelling can be a unique differentiation. Thus, MSMEs can achieve sustainable competitive advantage while strengthening local identity in this global era. This research recommends a holistic approach to optimize the market potential of Generation Z through a combination of value innovation, digitalization, and policy synergy.

The Ambon City Government is advised to strengthen support for MSMEs through the provision of digital literacy training, technology-based financing, and the development of equitable and stable internet infrastructure. In addition, collaboration with academics and industry players needs to be improved to create assistance programs based on blue ocean strategy (BOS), such as the development of special MSME applications with integrated digital marketing and electronic payment features. Meanwhile, MSME players are expected to optimally utilize digital platforms, such as social media and e-commerce to expand market reach, as well as innovate in creating value-added products based on Maluku's local wisdom in accordance with Generation Z preferences such as environmentally friendly packaging, storytelling content and omnichannel services. With the synergy between government policies and MSME initiatives, it is hoped that digital transformation can be carried out sustainably, driving local economic growth and strengthening MSME competitiveness in the global market.

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