

## ABSTRACT

*The tourism and hospitality industry is one of the main drivers of the economy in Indonesia which has significantly contributed to the national Gross Domestic Income (GDP). However, the presence of digital technology is changing the direction of competition in the hospitality industry in Indonesia. The growth of the hospitality sector in West Java Province in the third quarter of 2018 was lower than the growth in the third quarter of 2017. Hotel industry players must be able to adapt and transform in order to survive the current competition by utilizing digital capabilities.*

*This research aims to find out how the influence of digital transformation consisting of Digital Market Capabilities, Digital Leadership Capabilities, Digital Technology Capabilities, and Digital Innovation Capabilities on the sustainability of the hospitality industry in Indonesia. With the application of digital technology evenly in the hospitality industry is expected to support economic growth in Indonesia.*

*This study uses quantitative, descriptive, and explanatory surveys with hospitality industry analysis units in West Java. The observation unit in this study was the General Manager of Hotel West Java. The study used purposive sample techniques at 210 hotels verified factually and administratively by PRHI. The data analysis method used in this study is SEM-PLS.*

*Based on research conducted, the influence of digital market capabilities, digital leadership capabilities, digital technology capabilities, and digital innovation capabilities on the sustainability of digital transformation is simultaneously 80.9% while the remaining 19.1% is influenced by other factors. The results of the t test showed that the four supporting variables of digital transformation have an influence on the sustainability of digital transformation.*

*Academically and practically, this quantitative research can be utilized as a reference for hotel industry players to focus on applying digital technology capabilities as the main strategy in transforming. For future research related to the digital transformation of the hospitality industry sector in West Java can add other provinces so that the comparison of each province is known.*

**Keywords** - *Digital Transformation, Digital Market Capabilities, Digital Leadership Capabilities, Digital Technology Capabilities, Digital Innovation Capabilities, Sustainable Digital Transformation*