Strengthening Digital Marketing and Social Ties for Sustainable Economic Growth and Community Well-being

Prof. Dra. Indrawati, MM., Ph.D.
School of Economics and Business, Telkom University Bandung Indonesia
indrawati@telkomuniversity.ac.id

Abstract

This paper explores the pivotal role of digital marketing and social ties in driving sustainable economic growth and enhancing community well-being in Indonesia. As Indonesia aims to become the world's 6th largest economy by 2028, leveraging advancements in communication and information technology is crucial. The paper highlights the benefits of digital marketing for SMEs, including broader reach, precise targeting, cost efficiency, and enhanced customer engagement. Despite these advantages, only 16% of SMEs have adopted digitalization, underscoring the need for increased support and education. The paper also emphasizes the importance of social ties in fostering economic activities and community resilience. Strong social networks provide emotional support, enhance community engagement, and facilitate economic transactions. Examples such as the Mondragón Corporation in Spain and Aruna in Indonesia illustrate how social cohesion can lead to economic success. The paper concludes with practical solutions to strengthen social ties, including community engagement, education programs, and inclusive policy-making, aiming to create a more resilient and prosperous society.
Keywords: Digital Marketing, Economic Growth , Community Well-being

I.   Introduction

In 2028, Indonesia is expected to become the world's 6th largest economy, surpassing Russia, Brazil, France, and the United Kingdom (Figure 1: The World's Biggest Economies Over Time) (IMF via statista.com). One of the indicators is the high Gross Domestic Product (GDP). To realize this high GDP for Indonesia, significant efforts are required. Our economic growth must be maintained and continue to rise year after year. All good opportunities must be acted upon or executed; it is not enough to merely discuss or debate them.
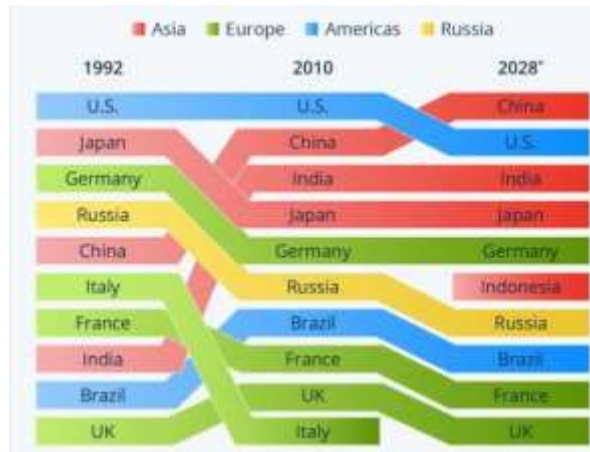
Figure 1. *The World Biggest Economies Over Time*
Countries with the highest GDP on Earth in 1992, 2010 and 2028

Source: https://www.statista.com/chart/22256/biggest-economies-in-the-world-timeline/

The development of communication and information technology, marked by advancements in mobile phone technology, internet infrastructure, and communication systems, has driven the use of various mobile communications, social media (Facebook, Instagram, Twitter, YouTube, WhatsApp, etc.) in all aspects of our lives. This has led to the emergence of the Internet of Things, continuous and rapid data collection (unstoppable & Instant Data Access), resulting in the creation of vast amounts of data (big data) that can be utilized in the development of ecommerce and other business activities (Figure 2: ICT for Economic Growth). Therefore, all of this will drive our economic growth both now and in the future.

Figure 2. *ICT for Economic Growth*

II. Digital Marketing Implementation

To help Indonesia achieve the expected position as the 6th largest economy in the world, digital marketing should be implemented in our business marketing activities. Digital marketing is not just about marketing in the digital era; it's about leveraging technology as effectively as possible. There are at least 7 advantages to implementing digital marketing (see Figure 3).

First, broad reach: Digital marketing allows SMEs to reach a wider global audience. By using various online platforms, SMEs can reach potential customers in different geographies without physical limitations.

Second, more precise targeting: Digital marketing enables SMEs to identify and target potential customers based on demographics, interests, behaviors, and preferences. This allows SMEs to send more relevant messages to their audience, thereby increasing sales opportunities. *Third*, accuracy in measurement and analysis: Digital marketing also allows SMEs to measure and analyze campaign results accurately. Digital marketing platforms provide data on campaign outcomes, enabling SMEs to track every customer interaction and conversion in realtime. This helps SMEs measure each investment or Return on Investment more effectively and make necessary adjustments.

Fourth, cost efficiency: Compared to traditional marketing methods like print advertising, digital marketing is often cheaper and more cost-effective. This is suitable for SMEs with limited budgets; for example, advertising on Facebook can start with just IDR 20,000. Through digital marketing, SMEs can also better control their budget and allocate funds to campaigns that deliver the best results.

Fifth, interaction, engagement, and transparency: With social media, email marketing, and various other platforms, we can interact directly with customers. This allows us to build closer relationships with customers, showcase the production process, share company values (transparency), and provide proactive, responsive, and personal customer service. This builds consumer trust, which is the foundation for business success .

Sixth, flexibility and speed: SMEs can quickly respond to market changes or trends by adjusting their digital campaigns, giving them a competitive advantage.

Seventh, data formation and better decision-making: Digital marketing generates a lot of data that SMEs can use to make better business decisions. By analyzing customer data, preferences, and behaviors, SMEs can optimize their marketing strategies.
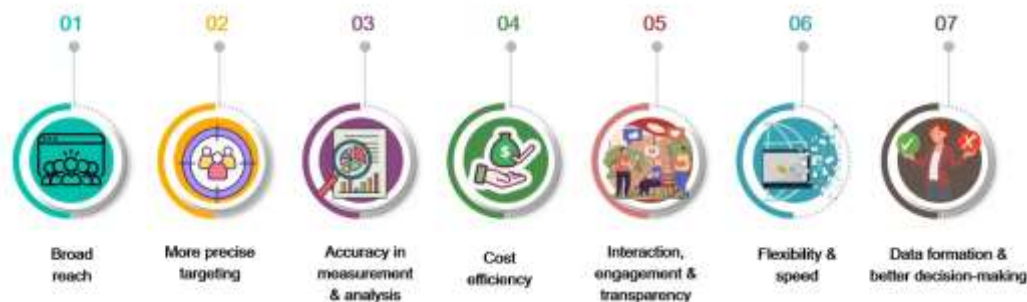
Figure 3. Advantages of Digital Marketing

Anderson's (2022) research found that businesses adopting digital technology are 26% more profitable compared to those that do not. This finding highlights the importance of integrating digital practices and digital marketing into business management to optimize economic growth potential.

However, only 16% of SMEs have adopted digitalization. SMEs are the backbone of Indonesia's economy, with nearly 64 million SMEs operating in our country, accounting for 99.9% of all businesses and employing 96.9% of the workforce, as well as contributing 60.5% of the total GDP (Figure 4: SME Profile in Indonesia 2022). As previously mentioned, one of the indicators of global economic strength is GDP, so it is not an exaggeration to state that SMEs are the key to making Indonesia one of the six largest economic powers in the world.

Figure 4. SME Profile in Indonesia 2022 (Satriya, 2022)

III. Digital Marketing, Social Ties, and Economic Growth

Enlightenment, socialization, and support for digital marketing programs should be provided, especially to Micro, Small, and Medium Enterprises (SMEs) that have limited knowledge and skills in digitalizing their business activities. Implementing effective socialization and support involves leveraging social ties. Social ties refer to the connections and relationships individuals have with others in their community and society. These connections can be personal, professional, or communal in nature (Fischer, 2017; Lin, 2020). The importance of involving social ties, particularly in Indonesia, is due to the communal spirit and preference for mutual cooperation within Indonesian society. By fostering these social ties, SMEs can benefit in several ways:

a) Emotional Support and Mental Health Benefits

Social ties provide essential emotional support, which can significantly enhance mental health. Individuals with strong social networks are less likely to suffer from depression and anxiety, as they have people to confide in and receive encouragement from during difficult times (HoltLunstad et al., 2015). This support can be crucial for entrepreneurs facing the stresses and uncertainties associated with running a business.

b) Increased Sense of Belonging and Self-Worth

Having strong social connections fosters a sense of belonging and boosts self-worth. Being part of a supportive community helps individuals feel valued and accepted, contributing to overall life satisfaction. For SMEs, this increased sense of belonging can enhance motivation and drive, which are essential for business success and resilience (Helliwell & Huang, 2019). c) Enhanced Community Resilience and Collective Efficacy

Strong social ties within a community enhance its resilience and collective efficacy. When community members support one another, they can better withstand and recover from adverse events, such as economic downturns (Aldrich & Meyer, 2015). This collective support can be vital for SMEs, enabling them to navigate challenges more effectively and contribute to a more robust local economy (Mills et al., 2021).

d) Facilitation of Economic Activities and Transactions

Strong social networks facilitate economic activities and transactions by fostering trust and cooperation among individuals and businesses. This can lead to increased trade, investment, and innovation within the community (Granovetter, 2022). For SMEs, leveraging these networks can result in new business opportunities and partnerships, enhancing their market reach and competitive advantage.

e) Support for Local Businesses and Economic Development

Local businesses benefit from the support of a close-knit community, which can lead to higher patronage and business growth. Community members are more likely to shop locally and support small businesses, contributing to the overall economic development of the area. This support is crucial for the sustainability and growth of SMEs, which are often integral to the local economy (Glaeser et al., 2020).

IV. Strengthening Social Ties

4.1 Community Engagement and Participation

a. Volunteerism

Encouraging volunteerism is a powerful way to strengthen social ties. Volunteering brings people together for a common cause, promoting a sense of community and shared purpose. Recent studies have shown that volunteerism not only enhances social cohesion but also contributes to individual well-being and a stronger sense of belonging within the community (Musick & Wilson, 2020; Son & Wilson, 2017). Engaging diverse groups in volunteer activities can also bridge gaps between different segments of society, fostering inclusivity and mutual understanding.

b. Local Events and Activities

Organizing local events and activities fosters community engagement by providing opportunities for people to meet, interact, and build relationships. These events can range from cultural festivals to neighborhood clean-up initiatives. Recent research highlights the role of such events in reinforcing community identity and solidarity, especially in diverse and multicultural societies (Putnam & Feldstein, 2019). Local events also serve as platforms for cultural exchange and collective memory, enhancing the social fabric of communities (Bauman, 2016).

4.2 Education and Awareness Programs

a. Promoting Inclusivity and Diversity

Education and awareness programs that promote inclusivity and diversity help create a more welcoming and cohesive community. These programs encourage understanding and acceptance of different cultures, backgrounds, and perspectives. In recent years, there has been a growing emphasis on the importance of diversity education in fostering social cohesion and reducing prejudice (Banks, 2021; Gorski & Pothini, 2018). By addressing issues of systemic inequality and promoting intercultural dialogue, these programs can significantly contribute to the resilience and unity of communities.

b. Conflict Resolution and Peacebuilding Initiatives

Implementing conflict resolution and peacebuilding initiatives is crucial for maintaining harmony within communities. These initiatives provide tools and techniques for managing disagreements and fostering peaceful coexistence. The importance of conflict resolution in community building has been underscored by recent studies, which emphasize the need for proactive and inclusive approaches to prevent and resolve conflicts (Lederach, 2017; Sandole et al., 2019). Peacebuilding initiatives that involve community members in the process of reconciliation and dialogue are particularly effective in sustaining long-term peace and stability.

4.3 Building Trust within Communities

a. Transparency in Local Governance

Transparency in local governance is essential for building trust within communities. When community members have access to information and can participate in decision-making processes, they are more likely to trust their leaders and institutions. Recent research confirms that transparency in governance not only enhances trust but also improves the accountability and effectiveness of public institutions (Grimmelikhuijsen & Meijer, 2017; Bauhr & Grimes, 2020). Efforts to increase transparency should include the use of digital tools and platforms that make information more accessible to the public. b. Encouraging Open Communication

Encouraging open communication within communities helps build trust and understanding. Platforms for dialogue, such as community meetings and social media groups, allow people to express their views and concerns openly. Studies from the past decade have highlighted the importance of open communication in fostering social trust and community resilience (Anderson et al., 2019; Eynon & Geniets, 2020). Open communication channels also provide opportunities for collaborative problem-solving and the co-creation of solutions to community challenges.

V. Challenges and Solutions

5.1. Identifying Common Barriers to Strengthening Social Ties

a. Social Inequality and Exclusion

Social inequality and exclusion are significant barriers to strengthening social ties. Marginalized groups often lack access to social networks and opportunities, leading to isolation and disconnection. This phenomenon is rooted in systemic issues such as economic disparities, discrimination, and unequal access to education and healthcare. Recent research highlights the ongoing impact of social exclusion on community cohesion, emphasizing the need for targeted interventions to promote inclusivity (Piketty, 2021). Addressing social inequality requires a comprehensive approach that involves equitable distribution of resources, access to education, and community programs aimed at inclusivity.

b. Mistrust and Conflict

Mistrust and conflict within communities can hinder the development of strong social ties. Historical grievances, cultural differences, and competition for resources can contribute to ongoing tensions. These conflicts are often exacerbated by misunderstandings, communication breakdowns, and perceived injustices, leading to further alienation and division. Recent studies underscore the importance of addressing mistrust through dialogue and collaborative efforts that foster mutual respect and understanding (Putnam, 2019). To overcome these issues, it is crucial to foster environments that encourage dialogue, mutual respect, and collaboration among diverse community members.

5.2 Practical Solutions and Best Practices

a. Inclusive Policy-Making

Implementing inclusive policy-making practices can help address social inequality and exclusion. Inclusive policies prioritize equity, representation, and participation from all segments of the community, particularly marginalized groups. By involving diverse voices in the decision-making process, these policies ensure that the needs and perspectives of all community members are considered, leading to more effective and just outcomes (Fung, 2020).
Participatory governance models that actively engage citizens in shaping policies that affect their lives are critical for enhancing social cohesion and trust in public institutions.

b. Community Mediation and Peacebuilding

One effective approach to overcoming mistrust and conflict is through community mediation and peacebuilding initiatives. These initiatives focus on resolving disputes through dialogue, understanding, and mutual agreement rather than adversarial processes. Mediation allows conflicting parties to express their concerns and work towards a shared resolution, thereby fostering trust and rebuilding relationships (Lederach, 2017). Peacebuilding efforts that involve community participation in reconciliation processes can help address historical grievances and lay the groundwork for long-term harmony and cooperation within the community.

c. Education and Empowerment Programs

Education and empowerment programs play a crucial role in combating social inequality and mistrust. By providing marginalized groups with access to education, skills training, and leadership development, these programs empower individuals to participate more fully in society and contribute to their communities. Educational initiatives that focus on promoting diversity, inclusivity, and intercultural understanding are particularly effective in reducing prejudice and fostering social ties (Banks, 2021). Empowerment programs also help individuals build confidence and agency, enabling them to take an active role in community development and advocacy.

d. Community-driven initiatives

Supporting community-driven initiatives empowers local residents to take charge of their development. These initiatives often address specific community needs and leverage local knowledge and resources.
One example of social cohesion leading to economic growth is the case of Mondragón Corporation in Spain. This cooperative model emphasizes collective ownership and democratic decision-making, resulting in sustainable economic development and social stability. Mondragon is one of the world's largest and most renowned cooperatives, based in the Basque region of Spain. Founded in 1956 by Catholic priest José María Arizmendiarrieta, it began with a small factory and grew into a federation of over 100 cooperatives spanning various sectors such as manufacturing,

finance, retail, and education. Mondragon operates on a democratic principle of "one person, one vote," ensuring equal participation in decision-making and profitsharing among its members. Despite its success, Mondragon has faced challenges, including global competition and technological changes. The bankruptcy of its major subsidiary, Fagor, in 2013 tested the resilience of its cooperative model. However, Mondragon continues to adapt, focusing on sustainability and innovation while maintaining its commitment to worker welfare and community development (https://www.mondragon-corporation.com/en/).

In Indonesia, a prime example of leveraging social ties for economic growth is Aruna. Aruna has successfully created a seafood marketplace startup that exemplifies how social bonds can drive economic advancement. By empowering over 40,000 fishermen across 177 points, Aruna connects small-scale fishermen with broader markets, generating annual revenues exceeding USD 15 million, equivalent to IDR 240 billion. This approach not only boosts economic opportunities but also strengthens social ties within fishing communities. Through trust and cooperation, fishermen collaborate to meet quality standards, streamline distribution, and negotiate fair prices, enhancing their collective bargaining power and economic resilience (Personal Interview with the founder of Aruna).

Another example is the Spirit Enterprise Opportunity (SEO) Subuh community, which has over 30,000 members across the country. Members can learn digital marketing at any time, with regular learning sessions and a place to ask questions. In each city, they form local groups and create city-specific portals. For example, in Bandung, they have a portal called Mall Bandung, accessible at ngabandungan.com. With such a platform, they learn continuously and can sell any product anywhere. They support each other, with some achieving increased awareness, leads, and transactions. However, there are still members who have not yet achieved optimal success (Personal Interview with the manager of SEO Subuh). Telkom University, widely recognized as the best university in Indonesia, proudly participates in this initiative as part of its dedication to community service, which is a fundamental pillar of its educational mission. By engaging in such activities, Telkom University not only upholds its commitment to societal development but also reinforces its role in contributing to the greater good, in alignment with the three pillars of higher education. Figure 5 are the activities of SEO Subuh Communities off line and on line.

Figure 5 The activities of SEO Subuh Communities

It is hoped that these communities will continue to grow and develop throughout Indonesia and the world. ***

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