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Strengthening smart digital marketing for millennials and economic growth in Indonesia

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ABSTRACT

The existence of the millennial generation in Indonesia is currently one of the largest market shares for economic activities in this country. This study will discuss digital marketing in the Indonesian millennial generation. Today's empirical reality shows several phenomena, namely 1). The increasing growth and competition of online-based retail businesses 2). The development of software and technological infrastructure in digital marketing is increasingly innovative. 3) The behaviour of millennials in digital marketing and consumption is very prominent, becoming an unstoppable reality. This study was conducted using the angle of observation of this phenomenal empirical reality. The study is also strengthened by looking at the literature and previous studies. The result of this reflection is a comprehensive picture of Smart Digital Content Marketing with the main actors being Indonesian millennials. This study is expected to benefit Indonesian online businesses to further improve their digital content marketing with a smart approach.

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1. Introduction

The world is slowly adapting to various changes that occur due to the arrival of digital technology in the 4.0 Industrial Revolution. The concept of the 4.0 Industrial Revolution was first introduced by Professor Klaub Scwab, a well-known economist from Germany and the initiator of the World Economic Forum (WEF). The 4.0 Industrial Revolution is marked by big data, the Internet of Things (IoT), cloud systems, robotics to Artificial Intelligence (AI). However, if we look back, the computer itself has existed since the 3rd generation of the industrial revolution. Computers are considered as something that is able to bring various conveniences and new opportunities. In this 4th generation Industrial Revolution Era, computers are made to be interconnected and able to communicate with each other so that they are able to make decisions without human involvement. In fact, change is something that is eternal that we still have to face (Asri, 2022).

In today's society everything is happening on the Internet, in particular on social networks(Milano, 2018). Social networks play central role in everyday life of average people.Digital marketing has been a hot issue talked about for at least the last 5 years. Especially now - not just a topic of conversation - since ChatGPT was released on 30 November 2022, AI has been widely implemented in digital marketing, especially in the production of marketing content both on websites and social media. The use of AI in marketing is based on many key advantages of AI, namely facilitating customised sales management, effectiveness, and efficiency in marketing cost allocation (Nirwana, 2023). It is amazing how smart social media sites are getting. AI is driving how we connect to social media sites and networks. An AI looks at past results, internet searches, and other things, adds them to our timeline, and warns us. Most of us met artificial intelligence (AI) for the first time in the form of chatbots(Singh et al., 2023).

AI in social media platforms has boosted social media marketing analytics. The merger has resulted in a change in marketing's core principles. As a result, the approach has shifted from relying only on conventional approaches to making smart use of digitalization (Raina Aifha Salshabilla & Itca Istia Wahyuni, 2022). In the current pattern of online usage, each consumer can criticize. Using merely an Excel sheet makes it difficult to measure consumers' emotions and behaviours accurately. The current trend of using hashtags and emojis makes it difficult to derive numerical data on specific favouritism and resistance. It is because both trends are visual. Considering the present circumstances, the information gathered by analysts could be more valuable in the presence of intelligent analytics(Singh et al., 2023).

Understanding technology is an important point in navigating life in the future. Associated with economic growth in our country, one important thing that must be understood by the younger generation or millennial children is the problem of self-empowerment to directly integrate with the construction of life which is in fact digital and rejects conventional, for things that do become the path of digital technology encroachment. Therefore, strengthening the mastery of digital technology for young people is inevitable.Reading skills for young generation who are still in Low level is the ability to read in converting letter symbols into words or sentences(Rahmayanti & Setiawan, 2023).

2. Research Method

This research uses a descriptive qualitative approach with observation data collection techniques, indepth,interviews, and documentation (Cresswell, 2012). The determination of informants was determined using purposive sampling technique. The indicators used in this research refers to Kavaratzis' (2004) city branding framework, namely, research, deliberation, consultation, action, and communication. The data obtained was then analysed through three stages, namely, (1) data reduction to sort out data that is appropriate or not in accordance with the research objectives; (2) data verification through source triangulation techniques both between informants, between researchers, and document sources; and (3) conclusion drawing if the analysed data is believed to have a high level of trust and objectivity (Hollweck, 2016).

3. Results And Discussions

A Model of Media Convergen Digital Marketing

Indonesia has great potential in the digital economy and the momentum of Indonesia's Chairmanship of ASEAN in 2023 also makes the digital economy a priority issue. Indonesia's digital economy potential is also supported by the potential of the ASEAN region which is estimated to have a digital economy value that increases to US$ 330 billion by 2025, and then skyrockets to US$ 1 trillion by 2030, of which one third comes from Indonesia. This figure will even increase with the Digital Economic Agreement Framework (DEFA).

The DEFA will be officially launched in September and the first round of negotiations will take place by the end of 2023 and is expected to be completed by 2025. The DEFA will open a new chapter in regional digital economic integration. The agreement is expected to attract investment, encourage innovation, increase productivity, create quality jobs and empower the MSME sector. At the symposium, the number of start-ups in Indonesia is the third largest in Asia. Airlangga also had the opportunity to listen and discuss with start-up founders, moderated by Expert Staff for Digital Transformation, Creativity, and Human Resources of the Coordinating Ministry for Economic Affairs. The discussion discussed various matters including innovation, access to funding, and digital talent(Lectra, 2018).

Digital marketing is an effort or way to promote a brand or product through digital media or product through digital media. According to him, digital marketing involves the use of various digital platforms and tools to achieve marketing goals. Digital marketing can be an extension of conventional marketing, but its strategies and tools are used online. Digital marketing is unique in the digital world, allowing the development of channels, formats and languages that are difficult or impossible to do offline(Nirwana, 2023).

The ideating stage in digital marketing development includes determining the marketing mix, segmentation, positioning, media selection, and copywriting strategy. In this case, AI is not only seen as a technology because it can do "learning", AI can analyse big data and then provide insights to marketers or business people, mathematise business processes, and interact with customers. The digital marketing development process consists of three stages, namely: 1) Understand the target audience that will receive marketing messages; 2) personalise marketing content to be relevant to the identified target audience; and 3) send/distribute the personalised content through appropriate and relevant channels. In understanding the target audience, AI can comprehensively collect and analyse large amounts of customer data based on customer

behaviour. This includes trends in keywords used in search engines, reviews, social media, and interactions on the internet(Nirwana, 2023).

Analyzing much info about clients can be hard, but it is an important part of social media marketing. Artificial intelligence is a key part of how social media sites work today. Popular social networks like Facebook, LinkedIn, and Instagram, among others, use machine learning models to suggest people or accounts follow, suggest jobs, recognize images, keep track of current exchanges, and do other similar things. According to a survey by Gartner, thirty-seven per cent of companies use AI to manage and curate material. According to the study from "Drift and the Marketing Artificial Intelligence Institute," Marketers know how important AI is for their businesses. However, 70% of those who answered the survey say that lacking training and guidance makes it hard for AI to be used in marketing. By looking at how a brand has done over time and using that information to make customer suggestions, machine learning and natural language processing models are used to get social insights. Many of the most famous social networks we use daily depend on artificial intelligence (Singh et al., 2023).

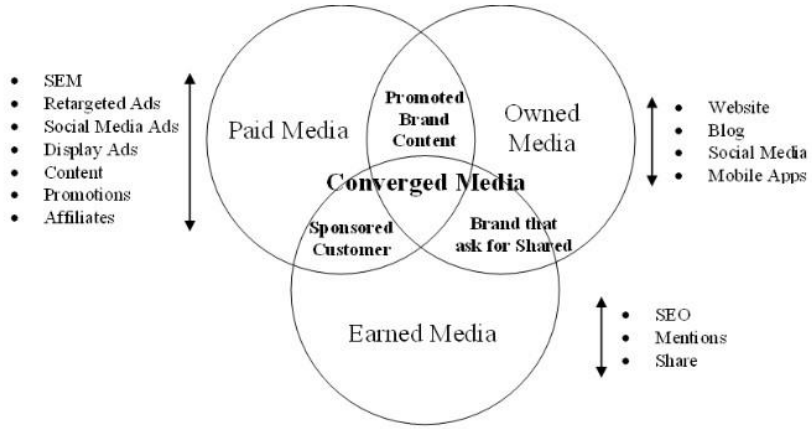

Figure 1. Media Convergen as a shape of integrating digital marketing
Source: Nirwana,2023

The digital talent is the Government's concern and the Government has a retraining and reskilling programme for digital talent, including encouraging Digital Hubs or Digital Special Economic Zones (SEZs) in the Nongsa Digital Park in Batam. The government invited several data centres to enter the SEZ. Indonesia also continues to encourage the construction of co-working spaces so that young people can start doing business in an ecosystem that will be built (Tarantang et al., 2019).

According to the importance of encouraging the digital economy in Indonesia and ASEAN, Deputy for Coordination of International Economic Cooperation of the Coordinating Ministry for Economic Affairs Edi Prio Pambudi, who was also a guest speaker on the occasion, said that digitalisation is not only about devices. Furthermore, Deputy Edi said that digitalisation is also about changing the understanding of the system to grow the Indonesian economy. The symposium, which also discussed sustainable development, also discussed the implementation of the green economy. ASEAN could create more than 5 million new jobs related to green businesses and industries, potentially contributing up to 8 per cent to GDP by 2030. Eight out of ten ASEAN member states have set net-zero targets covering the years 2050 to 2065.To conclude the symposium, Airlangga and ERIA President Prof. Tetsuya Watanabe also launched the Digital Innovation and Sustainable Economy Center (DISC), a virtual and physical platform for policymakers, businesses, and academic professionals and organisations to transform towards digital-based sustainability(Ramadhanti & Ismail, 2023).

The implementation of AEC as an opportunity, which in turn spur “dramatic” competitiveness of Indonesia. The Indonesia productive human resources will “force” themselves to contend and achieve competitive advantages. AEC also interpreted simply as a “money raising” in Indonesia in various sectors, which in turn boost economic growth and absorb completed our labor force, in which year by year continues to grow. Indonesia is more ready to undergo the AEC by an assumption that the free space can be providing such benefits. For examples are; information will be more easily and quickly accessible, the domestic demand will be easily met, the production activities in the country will increase both in quality and quantity, and increase foreign exchange through the import and export tariff(Setiawan, 2016).

AI Contribution

Wecontribute to the literature on the intersection of AI and financial services marketing in multiple ways. First, our study provides a comprehensive overview of the current state of AI in financial services research. In total, we review 90 articles pertaining to both empirical and theoretical characteristics, of which some have not been considered previously. Based on the TCCM framework, our review finds that most of the included studies follow a data-driven approach, with less than half relying on theories to explain AI-related effects. Most research is set in developed countries and focuses on AI applications in banking and credit risk scoring, studied using quantitative methods, such as surveys or experiments (Hentzen et al., 2022).

The use of AI and ML in asset management has the potential to increase the efficiency and accuracy of operational workflows, enhance performance, strengthen risk management, and improve the customer experience. Natural Language Generation (NLG), a subset of AI, can be used by financial advisors to 'humanise' and simplify data analysis and reporting to client. As ML models can monitor thousands of risk factors on a daily basis and test portfolio performance under thousands of market/economic scenarios, the technology can enhance risk management for asset managers and other large institutional investors. In terms of operational benefits, the use of AI can reduce back-office costs of investment managers, replace manually intensive reconciliations with automated ones, and potentially reduce costs and increase speed. The integration of AI and robots enables Human Resource to interact well with other em- ployees and customers in a new and better way(Azah, 2021). AI has the promise of improving business decision making and expanding the offering of financial products and services to businesses and consumers alike(Odinet, 2021).

Feeding ML models with big data can provide asset managers with recommendations that influence decision-making around portfolio allocation and/or stock selection, depending on the type of AI technique used. Big data has replaced traditional datasets, which are now considered a commodity easily available to all investors, and is being used by asset managers to gain insights in their investment process. For the investment community, information has always been key and data has been the cornerstone of many investment strategies, from fundamental analysis to systematic trading and quantitative strategies alike. While structured data was at the core of such 'traditional' strategies, vast amounts of raw or unstructured/semi-structured data are now promising to provide a new informational edge to investors deploying AI in the implementation of their strategies. AI allows asset managers to digest vast amounts of data from multiple sources and unlock insights from the data to inform their strategies at very short time frames(OECD, 2021).

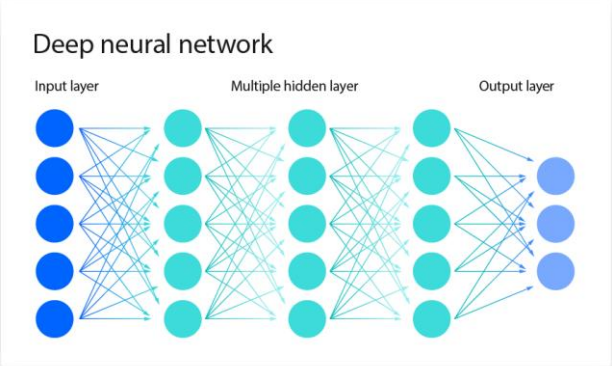

Figure 2. Neural Network for AI
Source: https://www.ibm.com/

AI has had many phases with ups and downs and different types of algorithms and applications. The first significant market applications started in the eighties and relied on Expert systems. These tools were practical and widely adopted. One of the early and successful applications was an expert system for automated credit authorisation implement by the retailer Marks & Spencer in the UK. This retailer in 1991 automatically handled 90% of credit authorisations and controls with the expert system named Behavioural Scoring. Expert systems replicated what would have been complex processing and decision-making by humans, based on a possibly very detailed knowledge base. The type of data they used was mainly sector-specific. In the case of credit authorisation, in particular, they used data concerning personal demographics, problems with payments, and the flow of payments in the account. Expert systems were also used for investment decisions, retirement planning, and companies trading securities in financial markets frequently used these systems in the US and

Japan. However, for the most complex operations like automated portfolio management, they remained prototypical(EU, 2021).

Looking at the current personal banking landscape a lot has already been done over the past decades when it comes to loans and payment. This can be easily understood as those instruments affects almost all individuals across their life-cycle (which also explains why most of the available funding has been dedicated to those segments). When it comes to insurances, the market appears relatively stable and mature. This has been highlighted in the recent review of and is reflected in the relatively stable and low share (about 7 to 10%) of overall Fintech funding dedicated to this industry. However, the use of technology has been rather limited when it comes to investments. Examples recorded in the literature mostly focus on the topic of robo-advisors, which consist in tools helping individuals to automati- cally allocate their investments in order to boost their returns. If efficient, those tools are not adopted in a wide fashion as their usage suffers not only from black-box considerations (for instance, studies show that only 29% (resp. 53%) of babyboomers (Gen X/Y) trust robo-advisor) but also is not so frequent (most financial portfolios associated to investments are indeed(Augustin, 2023).

AI and Fintech are now widely used. This article intro- duces a wide range of examples where AI and Fintech are applied to the development of as- set management methods. One of the cores of their applied technology is text mining that converts text information into numerical data, which has evolved through deep learning. Big data has dramatically expanded the amount of input data to asset management models, and advanced prediction models have been developed by analyzing these data using deep learn- ing. On the other hand, AI has brought about the harmful effect of making the model a black box. A lot of attempts are also being made to contribute to the investment theory by estimat- ing risk factors with AI optimization technology and big data. Fintech, on the other hand, provides with automated wealth management, which has contributed to the expansion of as- set management business for small-sized and inexperienced investors with robot advisors. In addition, the application of big data is progressing even in ESG investment, which has re- cently attracted a lot of attention(Kato, 2020).

A user's digital identity is the impression left on the Internet by their interactions with other users or the development of new material. Internet groups and services form an individual's digital identity, which cannot be predetermined. Brands are recommended to build their digital identity by participating in various social networks and ensuring that they are in sync with their goods and services (Nurjaman, 2022). AI has a strong influence on digital financial inclusion in areas related to risk detection, measurement and management, addressing the problem of information asymmetry, availing customer support and helpdesk through chatbots and fraud detection and cybersecurity(Mhlanga, 2020). In strategic decisions, the time it can take to see if a particular approach works; the lack of specificity; possible diversity of interpretations; the fact that speed is less of the essence and relative lack of replicability; means that aggregated human-AI decision-making may be more appropriate, although Hybrid 1 may be used too(Merlin Stone, 2020). FinTech is evolving to be a large family, compris- ing various areas including BankingTech, TradeTech, LendTech, InsurTech, WealthTech, PayTech, and Risk- Tech(Cao et al., 2021).

4. Conclusion

The result of this reflection is a comprehensive picture of Smart Digital Content Marketing with the main actors being Indonesian millennials. This study is expected to benefit Indonesian online businesses to further improve their digital content marketing with a smart approach. Emerging competition among economic source has revealed the need to emphasize digital marketing strategies to create an intangible added value for potential customers, with the goal of promoting a positive image of the area being promoted. Having a tourist office accessible on your smartphone or tablet has social advantages. Similarly, it boosts the efficiency with which travelers seek for the information they need to make pertinent judgments. With no need for paper, the environment is conserved, and the expense of advertising the city is decreased by eliminating posters and other promotional materials. As marketing communications become increasingly integrated with the digital space, marketers can use social media to create digital linkages with customers. There are two main methods for devel- oping these linkages: (1) perform as a digital or interactive firm, thereby maintaining or reinforcing the high levels of digital marketing usage, or (2) adopt various kinds of social media interaction to increase usage of digital marketing. All efforts in this domain should lead to increased engagement, stronger relationships with customers, and subsequent. In Government Regulation No. 43 of 2014 and Government Regulation No. 6 of 2014 which will be effective starting in 2015, a translation of the status and coordination of villages in the political configuration of developmentalism in this country. In this connection the village becomes possible to be a real subject in the national development discourse. The village is then envisioned to be autonomous, where

in the most strategic case of village autonomy development is village development planning. Planning terminology in this case involves spatial planning, sociological, economic, human resources, and institutionalization at the village level. It can be said that until now, not all villages or say many villages have displayed the performance of village development planning based on village development needs and community services by the village bureaucracy.

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