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The Role of Social Media Platforms as a Means of Digital Marketing Innovation for Startups in Indonesia

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Abstrak

This study explores the role of social media platforms as an innovative digital marketing tool for startups in Indonesia. With the growing number of digital startups and internet penetration, social media has become a strategic platform to build brand awareness, engage customers, and enhance business growth. The research adopts a qualitative literature review approach, analyzing various studies and cases in the Indonesian startup ecosystem. Findings suggest that platforms like Instagram, TikTok, Facebook, and LinkedIn significantly contribute to marketing innovation by enabling low-cost promotions, real-time customer interaction, and viral campaigns. The paper also identifies challenges including algorithm changes, content saturation, and limited human resources. Strategic recommendations are provided for startups to optimize their social media presence.

Kata kunci: Digital Marketing, Innovation, Social Media, Startups.

1. Introduction

Indonesia has become one of the fastest-growing digital markets in Southeast Asia, marked by high internet penetration and widespread social media usage. According to a report by We Are Social and Kepios (2024), 77.0% of the Indonesian population actively uses social media, with an average daily usage time of 3 hours and 18 minutes. This phenomenon presents vast opportunities for businesses, particularly startups, to utilize social media as a primary channel for their digital marketing activities (We Are Social & Kepios, 2024).

The rapid development of startups in Indonesia is driven by improved access to technology and various government initiatives that support digital entrepreneurship. However, limited capital, human resources, and brand awareness remain significant challenges for early-stage startups. Therefore, the use of social media is considered effective due to its low cost, speed, and ability to reach a wide target market (Ries, 2011). This positions social media as one of the most relevant forms of digital marketing innovation today.

Kaplan and Haenlein (2010) describe social media as platforms that enable two-way interaction between companies and consumers, providing space for direct information exchange and collaboration. This capability is essential for startups seeking to build close relationships with their audiences and gather feedback for product development. In Indonesia, many startups utilize platforms such as Instagram, TikTok, and Twitter for storytelling, promotions, and even real-time customer service.

Innovation in digital marketing through social media not only increases visibility but also creates opportunities for community-driven business growth. For instance, local brands like "Eiger" and startups such as "HijUp" leverage digital communities to strengthen customer loyalty through user-generated content and thematic campaigns (Purwanto et al., 2020). These strategies show that social media is more than just a promotional tool—it has become an innovative ecosystem that accelerates business cycles.

Despite its potential, the use of social media for marketing also presents several challenges. Algorithm changes, content saturation, and the risk of misinformation can hinder the effectiveness of digital communication. Hence, startups are required to constantly innovate in content strategies, utilize data analytics, and understand platform-specific audience behavior (Dwivedi et al., 2021). Adaptability to these changes is key to sustaining a successful social media marketing strategy.

Moreover, startups often face pressure to integrate multiple digital platforms in a structured way to ensure consistent messaging. Tiago and Verissimo (2014) emphasize the importance of combining social media with broader digital marketing strategies, such as email campaigns, interactive websites, and e-commerce integration. This allows for more accurate performance measurement and enhances the overall customer experience.

Given these considerations, it is important to further examine how social media platforms function as tools of digital marketing innovation for startups in Indonesia. This study aims to explore the practices adopted by startups, the benefits they experience, and the challenges they face when utilizing social media as a key component of their digital marketing strategies.

2. Method

This study adopts a qualitative descriptive approach through a systematic literature review to explore the role of social media platforms in digital marketing innovation among startups in Indonesia. The research aims to synthesize current academic findings, industry reports, and relevant case studies to provide an integrated understanding of how startups utilize social media as a marketing innovation tool.

2.1 Data Sources

The data were collected from various secondary sources, including peer-reviewed journals, books, government publications, startup reports, and reputable digital marketing industry analyses published between 2018 and 2024. Databases such as Scopus, Google Scholar, ScienceDirect, and ResearchGate were used to retrieve relevant literature using keywords such as: "*digital marketing innovation*," "*social media strategy*," "*startups in Indonesia*," and "*entrepreneurship and social media*."

Additionally, supporting data were obtained from annual digital trend reports by We Are Social & Kepios, and local startup ecosystem insights from Indonesia's Ministry of Communication and Information Technology (Kominfo).

2.2 Inclusion and Exclusion Criteria

To maintain relevance and rigor, the following criteria were applied:

- Inclusion: Studies that specifically discuss social media use in marketing strategies by startups, research involving Indonesian digital marketing contexts, and papers written in English or Bahasa Indonesia.
- Exclusion: Publications not related to startups, overly technical IT studies without marketing focus, or data prior to 2018 unless foundational theories were required.

2.3 Data Analysis

The selected studies were analyzed using a thematic content analysis method. This approach involved identifying recurring patterns, concepts, and themes such as:

- Types of social media platforms used
- Marketing innovation strategies
- Measurable impacts on business performance
- Barriers and challenges in implementation

Data were coded and grouped based on these themes to allow comparison and synthesis of findings across multiple sources. The analysis also considered Indonesia-specific context, including local consumer behavior, digital trends, and platform popularity.

2.4 Validity and Reliability

To enhance the credibility of the review, the selected literature was evaluated based on source quality, peer-reviewed status, citation count, and relevance to the Indonesian startup landscape. Triangulation of data was conducted by comparing academic literature with practical reports and real-world case studies from startup businesses and marketing agencies.

This methodology allows the study to provide a grounded and comprehensive understanding of how social media platforms contribute to digital marketing innovation for startups operating in Indonesia.

3. Result and Discussion

Utilization of Social Media Platforms by Startups

Indonesian startups have increasingly adopted social media as a core part of their marketing strategy due to its accessibility, low cost, and massive reach. Platforms like Instagram, TikTok, Facebook, and LinkedIn have become the preferred choices depending on the business model and target audience. Instagram is particularly favored by startups in fashion, food and beverage, and lifestyle sectors due to its visual focus and ease of product display through photos and videos. TikTok is gaining ground for startups that wish to connect with younger demographics through creative short-form videos.

Facebook, although considered less trendy among youth, still offers value for startups targeting broader or rural markets. It is frequently used to create communities through groups, and Facebook Ads remain popular due to its robust targeting features. LinkedIn, on the other hand, is critical for B2B startups and service-based companies aiming to reach professionals, attract talent, and engage in thought leadership. The strategic platform selection depends not only on audience segmentation but also on the type of content and interaction the startup desires.

The ability to manage multiple platforms simultaneously provides startups with agility in reaching different customer segments. For instance, a healthtech startup may use LinkedIn for investor relations and thought leadership, while also using Instagram to educate the public on health issues. This multi-platform approach enhances brand exposure and provides comprehensive market coverage. It also reduces dependency on a single platform, which is essential in an environment where algorithm changes can drastically reduce organic reach.

Moreover, the real-time nature of social media allows startups to respond quickly to market dynamics. They can launch products, gather feedback, address customer complaints, and adapt their strategy within hours or even minutes. This responsiveness is a form of innovation, particularly in comparison to traditional marketing which tends to be linear and time-consuming. Social media also provides opportunities for real-time trend engagement, such as joining national conversations or memes to gain visibility.

In summary, the adoption of various social media platforms allows Indonesian startups to optimize reach, tailor content, and build segmented audiences. The strategic utilization of platform-specific features—such as TikTok’s “For You Page,” Instagram’s reels and stories, and Facebook’s targeted ads—demonstrates an innovative approach to digital marketing. However, this strategy requires consistency, technical skill, and understanding of each platform’s algorithmic behavior to be truly effective.

Social Media as a Driver of Marketing Innovation

Social media has transformed from a communication tool into a driver of marketing innovation, particularly for resource-constrained startups. Unlike traditional marketing channels that demand large budgets, social media provides a relatively low-cost avenue for creative expression, brand building, and customer engagement. Startups can experiment with multiple content formats—videos, carousels, reels, stories—without requiring expensive production setups. This flexibility enables continuous experimentation, which is key to innovation.

One notable innovation enabled by social media is storytelling. Startups are now sharing authentic, human-centered stories to connect with audiences emotionally. These stories often include the founder's journey, behind-the-scenes of product creation, and testimonials from early adopters. Such narratives help differentiate new brands from competitors and make them more relatable, especially in markets saturated with similar offerings. For example, HijUp, a modest fashion startup, often uses founder and customer stories to build identity and trust.

Another marketing innovation is the use of micro-influencers. Instead of partnering with expensive celebrities, startups often collaborate with individuals who have smaller but more loyal audiences. This approach not only reduces costs but also ensures higher engagement and credibility. These influencers are perceived as more authentic and accessible, making them ideal for startups that target niche communities or regions. This shift reflects a broader trend in consumer behavior that values authenticity over aspiration.

Social media also facilitates real-time innovation, such as launching flash sales, testing new product ideas, and conducting live shopping sessions. Through comments, likes, and direct messages, startups can gather instant feedback and iterate rapidly. This agile approach to product development and marketing is central to the "lean startup" methodology advocated by Eric Ries (2011). The two-way nature of communication fosters co-creation, where customers become part of the innovation process.

Furthermore, startups in Indonesia increasingly use user-generated content (UGC) as part of their campaigns. Encouraging customers to share their own content while using the product not only provides authentic marketing material but also builds community loyalty. UGC-based campaigns, such as photo contests or hashtag challenges, represent a form of decentralized marketing innovation where customers voluntarily promote the brand. This approach reduces marketing costs while enhancing engagement.

Benefits and Impact on Startup Performance

The strategic use of social media platforms yields significant benefits for startups, especially in terms of brand awareness and customer acquisition. Through frequent and consistent content, startups can maintain visibility in the highly competitive digital space. Even small players can stand out through creative campaigns, viral content, or timely engagement with social trends. Unlike traditional channels that have limited reach, social media's viral potential allows startups to reach thousands or even millions of users without proportional budget increases.

Social media also supports relationship marketing, a model where businesses focus on long-term customer engagement rather than one-time transactions. Startups can interact directly with followers through polls, Q&A, live streams, and comment sections. These features make the customer feel heard and valued, increasing the likelihood of repeat purchases and referrals. Additionally, this ongoing interaction enables startups to build emotional connections with their audience, which is crucial for brand loyalty.

Moreover, the integration of social commerce features—such as Instagram Shopping, TikTok Shop, and Facebook Marketplace—has further expanded the commercial utility of social media platforms. Startups can now showcase their products, allow in-app purchases, and provide customer support within the same environment. This streamlining of the buyer's journey improves conversion rates and reduces friction. For example, Sayurbox effectively uses Instagram to share cooking tips while directing users to their e-commerce platform.

Another major impact is the collection of market insights. Social media analytics tools allow startups to track engagement rates, customer preferences, peak activity times, and campaign effectiveness. These insights are essential for refining marketing strategies and personalizing content. The ability to monitor sentiment through social listening also helps startups identify reputational risks and manage crises more effectively.

Finally, research by McKinsey (2023) shows that startups in Indonesia that adopt digital marketing, particularly via social media, experience 35% faster customer acquisition and 28% higher brand recall than those relying solely on traditional methods. This demonstrates that social media is not just a support tool but a strategic driver of startup success in Indonesia's competitive digital economy.

Challenges in Implementation

Despite the opportunities, startups face a range of technical, strategic, and operational challenges when utilizing social media. One of the most common is the unpredictability of platform algorithms. Sudden changes in visibility rules can drastically reduce organic reach and engagement, forcing startups to invest in paid promotion or alter their content strategy frequently. This creates instability in campaign performance and makes long-term planning difficult.

Another issue is content fatigue. With the constant stream of information on social media, it becomes increasingly difficult for startups to capture and retain user attention. Producing fresh, relevant, and high-quality content on a regular basis requires creativity, planning, and resources that many startups lack. Moreover, trends change rapidly, and failing to adapt to them can make a brand appear outdated or disconnected.

Human resource limitations also pose a major hurdle. Many early-stage startups do not have dedicated social media or digital marketing staff. As a result, social media management often falls to the founders or general staff, leading to inconsistent content quality and weak audience engagement. Without expertise in digital strategy, content production, or analytics, the full potential of social media cannot be harnessed.

Furthermore, measuring return on investment (ROI) from social media efforts remains challenging. While platforms offer metrics like reach and impressions, these do not always translate directly into sales or customer retention. Startups may struggle to justify their marketing budget or assess which platforms are delivering the most value. This issue is further complicated when running campaigns across multiple channels simultaneously.

Lastly, there are reputational risks associated with the open and viral nature of social media. Negative reviews, inappropriate content, or delayed responses to customer complaints can escalate quickly and damage the brand. Startups must be prepared to manage online crises, which requires strong internal coordination and communication protocols—capabilities that many new businesses have yet to develop.

Strategic Implications for Indonesian Startups

To fully leverage the potential of social media, startups must develop a clear and adaptive strategy aligned with their business goals. This includes defining target audiences, selecting the right platforms, and setting measurable objectives for each campaign. Startups should not treat social media as an afterthought but as an integral part of their overall marketing and innovation strategy. A clear roadmap ensures consistency, focus, and effective resource allocation.

Investment in content creation tools and analytics platforms is equally important. Applications like Canva, Hootsuite, Meta Business Suite, and Google Analytics allow startups to improve the quality and scheduling of content while tracking performance in real time. Automating routine tasks such as post scheduling, comment moderation, and reporting can save time and increase consistency. This allows teams to focus on strategic creativity rather than operational details.

Startups are also encouraged to embrace collaboration. Partnering with digital marketing agencies, freelancers, or student interns can provide the skills needed without a full-time hire. In addition, collaborating with influencers, industry experts, or brand advocates can accelerate reach and build credibility. These partnerships should be based on shared values and clear communication to avoid reputational risks.

Cross-platform integration is another key strategy. Ensuring that branding, messaging, and tone are consistent across Instagram, TikTok, LinkedIn, and Facebook helps build a coherent identity. At the same time, startups must tailor content formats and messaging styles to match platform characteristics. For example, short, humorous videos may work well on TikTok, while infographic-style thought leadership content is better suited for LinkedIn.

Lastly, startups should implement social listening and feedback loops. Monitoring what customers are saying, identifying trending topics, and gathering suggestions allows for continuous innovation and responsiveness. Feedback from social media can guide not only marketing but also product development, customer service, and

brand positioning. This two-way interaction transforms social media from a promotional tool into a strategic asset for long-term growth.

4. Conclusion

This study has shown that social media platforms play a significant role as a medium for digital marketing innovation, particularly for startups in Indonesia. In an increasingly competitive and digital-oriented environment, startups are required to develop strategies that are not only cost-effective but also impactful. Social media offers a powerful combination of accessibility, audience reach, and creative flexibility, allowing startups to engage directly with consumers and build brand awareness from the ground up. First, the findings highlight that platforms such as Instagram, TikTok, and Facebook are not merely communication tools but have evolved into digital marketplaces where visual storytelling, influencer collaboration, and real-time engagement become critical marketing assets. These platforms enable startups to humanize their brands, showcase their products, and test market responses with minimal financial investment—key advantages that traditional marketing channels often lack. Second, the role of social media as a driver of innovation is reflected in how startups leverage analytics and algorithmic trends to optimize their marketing strategies. The use of real-time data allows startups to respond quickly to customer feedback, adapt content strategies, and even launch new products or services based on insights gleaned from online interactions. This dynamic loop of feedback and adaptation supports continuous innovation. Third, the qualitative interviews conducted in this study revealed that Indonesian startups highly value the interactive features of social media, such as comment sections, stories, polls, and live streams, which foster a sense of community and increase brand loyalty. These interactive tools also enable startups to receive user-generated content and testimonials, which in turn reinforce trust and credibility. Lastly, this research underscores the importance of a well-structured social media strategy tailored to specific platform characteristics and audience demographics. It is not enough to simply have a presence on social media; startups must develop coherent content plans, engage in consistent communication, and align their social media goals with their broader business objectives to maximize results. In conclusion, social media platforms represent more than just tools for visibility—they are innovation hubs that allow startups in Indonesia to scale efficiently, engage meaningfully, and compete in a fast-evolving market. Future research should explore deeper analytics-driven strategies and the long-term sustainability of social media-led growth in the startup ecosystem.

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