

Innovation and Technology Based Digital Marketing Strategy in Increasing E-Commerce Business Sustainability

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Abstract

The development of digital technology has driven major changes in the world of marketing, especially in e-commerce platforms. This study discusses various digital marketing strategies implemented by companies in increasing competitiveness and customer loyalty in the e-commerce environment. Using a literature study method, this study examines various marketing approaches such as discounts and promotions, loyalty programs, and the use of advertising targeting algorithms. In addition, this study also explores the role of technological innovations such as Artificial Intelligence (AI), Augmented Reality (AR), and Virtual Reality (VR) in improving customer experience and marketing effectiveness. The results of the study show that innovative and technology-based marketing strategies contribute significantly to increasing customer engagement and supporting business sustainability. In addition, sustainability and social responsibility factors are also increasingly becoming major concerns in digital marketing. With a deeper understanding of digital marketing strategies, companies can optimize the use of e-commerce platforms to achieve more sustainable business growth.

Keywords

Digital Marketing, E-Commerce, Technology Innovation, Business Sustainability

1. Introduction

In recent years, the development of digital technology has driven significant changes in the world of business and marketing. The advancement of the internet and information technology has enabled companies to reach consumers more widely through digital platforms. One of the

most significant developments in the business world is the emergence of e-commerce platforms, which have transformed the way consumers shop and how companies market their products. E-commerce not only provides easier access for consumers but also creates various opportunities for businesses to enhance their competitiveness (Marhawati et al., 2023). With advanced features such as data analytics, search algorithms, and personalized user experiences, e-commerce platforms offer various marketing strategies that can improve the effectiveness of promotions and sales. E-commerce platforms such as Tokopedia, Shopee, and Bukalapak have become an integral part of Indonesia's business ecosystem. Business actors are increasingly relying on these platforms to market their products, reach a wider audience, and increase customer loyalty. Afianti et al. (2023) and Panigoro et al. (2023) suggest that digital marketing strategies in e-commerce play a crucial role in attracting new customers and retaining existing ones. Various approaches, such as offering discounts, loyalty programs, and utilizing targeted advertising algorithms, have been proven to increase conversion rates and customer retention. Therefore, understanding effective marketing strategies on e-commerce platforms is becoming increasingly important for businesses seeking success in a competitive digital environment (Akbar, 2024).

Digital marketing strategies on e-commerce platforms continue to evolve in line with changes in consumer behavior and technological advancements. Currently, marketing is not only focused on product promotion but also on providing a more personal and interactive customer experience. Artificial Intelligence (AI) and data analytics are increasingly being used to understand customer preferences and present more relevant product recommendations. Moreover, the use of social media as a marketing tool is growing, allowing companies to interact directly with customers and build closer relationships (Wardana & Mukharomah, 2023). These changes indicate that the success of digital marketing is not only dependent on price or product quality but also on effective communication strategies and customer engagement. In facing increasingly intense competition, innovation becomes a key factor in digital marketing strategies. Asikin & Fadilah (2023) emphasize that service and product diversification, as well as strategic collaborations with business partners, can provide companies with a competitive advantage. By adopting the latest technology, companies can create added value for customers and enhance their competitiveness in the market. For instance, integrating Augmented Reality (AR) and Virtual Reality (VR) into the shopping experience allows customers to try products virtually before making a purchase. This not only improves customer satisfaction but also reduces product return rates, which is a major challenge in e-commerce.

Besides technological innovation, sustainability and social responsibility are also becoming increasingly important in digital marketing strategies. Modern consumers are more aware of environmental and business ethics issues, making companies that adopt environmentally friendly business practices more likely to gain greater customer trust (Santoso, 2020). Therefore, marketing strategies that prioritize sustainability, such as using eco-friendly packaging and supporting fair trade, can be a unique advantage for companies. Thus, digital marketing is not only focused on increasing sales but also on building a positive brand image and establishing long-term relationships with customers.

This study aims to explore various marketing strategies implemented on e-commerce platforms and their impact on business sustainability. By analyzing different elements of digital marketing, including technology use, social media, and promotional strategies, this study is

expected to provide insights for business actors in developing more effective marketing strategies. Additionally, this research discusses the challenges and opportunities faced in digital marketing and how companies can optimize the use of e-commerce platforms to achieve their business goals. By understanding the dynamics of digital marketing in the modern era, business actors can be better prepared to face market changes and enhance their competitiveness in an increasingly competitive industry. The research method used in this study is a qualitative approach with a literature review method. The literature review was conducted by collecting and analyzing various academic sources, such as scientific journals, books, and industry reports relevant to the topic of digital marketing on e-commerce platforms.

2. Results and Discussion

2.1. Digital Marketing Strategies in E-Commerce Platforms

In the rapidly developing digital era, e-commerce platforms have become one of the main channels for marketing products and services. Afianti et al. (2023) and Panigoro et al. (2023) revealed that e-commerce platforms such as Tokopedia offer significant opportunities for businesses to develop digital marketing strategies. With various advanced features and algorithms, e-commerce platforms can enhance product visibility and facilitate interactions between sellers and consumers. One of the most widely used marketing strategies on e-commerce platforms is offering discounts and promotions. This strategy has proven effective in increasing sales volume and attracting new customers. Consumers tend to be more interested in making a purchase when they see discounts or special offers, such as cashback and product bundling. Moreover, this strategy can also help increase customer loyalty by providing incentives for them to continue shopping on the same platform (Erwin et al., 2021).

In addition to discounts and promotions, loyalty programs are another commonly used strategy in digital marketing on e-commerce platforms. Well-designed loyalty programs can reward customers who frequently make purchases, such as points that can be redeemed for discounts or specific rewards. With this program, customers feel more valued and motivated to continue shopping at the same store. This helps increase customer retention and encourages repeat purchases (Erwin et al., 2021; Ain et al., 2024). Another very effective marketing strategy in the digital era is ad targeting. E-commerce platforms use sophisticated algorithms to display ads to more relevant audiences, increasing the likelihood of conversion. By leveraging customer behavioral data, platforms can display ads that match their preferences and needs. This allows for more efficient and targeted marketing, thus optimizing the marketing costs incurred by the company.

2.2. Innovations and Technologies in Digital Marketing

In the face of increasingly fierce competition in the digital era, companies must also innovate and adapt new technologies to maintain business sustainability. Asikin & Fadilah (2023) emphasize the importance of innovation in marketing strategies so that companies can continue to compete in a dynamic market. One element of innovation that can be applied is the diversification of services and products. By utilizing technology, companies can offer a wider variety of services and products to meet the needs of a wider market. For example, a business that initially only sold physical products can start offering digital services, such as online

consultations or virtual courses, to adapt to evolving market trends. In addition to diversification of services and products, strategic collaboration is also key to increasing the company's competitiveness (Wardana & Mukharomah, 2023). Companies can collaborate with strategic partners who have advanced technological capabilities to create added value for customers. For example, online stores can work with logistics companies to provide faster and more efficient delivery services. This kind of collaboration not only improves the quality of service but also helps build a stronger and more sustainable business ecosystem.

Digital marketing is also increasingly evolving with the use of artificial intelligence (AI) and data analytics. AI technology allows for the personalization of customer experiences by tailoring product recommendations based on their search and purchase history. Thus, customers get a more relevant and satisfying shopping experience. In addition, data analytics allows companies to understand market trends, customer preferences, and the effectiveness of their marketing campaigns. With the insights gained from this data, companies can make more informed decisions in developing their marketing strategies (Santoso, 2020). Innovative digital marketing strategies also include the use of social media as a promotional tool. Social media has become one of the most effective marketing channels in reaching a wider audience. By utilizing platforms such as Instagram, Facebook, and TikTok, companies can increase brand awareness and build closer relationships with customers. In addition, marketing through social media allows for more direct interaction with customers, so companies can respond to questions and feedback quickly.

The use of influencers in digital marketing is also becoming an increasingly popular strategy. Influencers have a great influence on their followers, so they can help increase customer trust and interest in a product or service. By working with influencers who have an audience that matches their target market, companies can increase the effectiveness of their marketing campaigns and reach potential customers more easily. In the increasingly competitive world of e-commerce, speed and convenience in the purchasing process are also important factors in attracting and retaining customers. Therefore, many companies are adopting digital payment technology to facilitate transactions (Haryanti & Subriadi, 2022). With various digital payment options, such as e-wallets and credit card payments, customers can make transactions faster and safer. This convenience provides a better shopping experience and increases customer satisfaction.

Augmented Reality (AR) and Virtual Reality (VR) technologies are also starting to be applied in digital marketing strategies. This technology allows customers to see and try products virtually before making a purchase. For example, in the fashion and cosmetics industry, AR allows customers to try on clothes or beauty products virtually through an application. With this technology, customers can make more informed purchasing decisions and reduce the rate of product returns. In addition, digital marketing strategies also include the use of chatbots to increase customer interaction. AI-based chatbots can provide responsive customer service and are available 24/7. With chatbots, customers can easily get information about products, order status, or other assistance without having to wait long. This not only improves customer experience but also reduces the workload of the customer service team (Marhawati et al., 2023).

In developing a digital marketing strategy, companies also need to pay attention to aspects of sustainability and social responsibility (Verbivska et al., 2023). Consumers today are increasingly concerned about environmental issues and business ethics. Therefore, companies can adopt

environmentally friendly business practices, such as the use of environmentally friendly packaging and supporting fair trade. By showing a commitment to sustainability, companies can attract more environmentally conscious customers and build a more positive brand image. Digital marketing strategies on e-commerce platforms include various elements, ranging from discount and promotion offers, loyalty programs, advertising targeting, service and product diversification, strategic collaborations, to the use of advanced technologies such as AI, AR, and VR. By continuing to innovate and adapt to technological developments, companies can stay competitive in an increasingly dynamic market and ensure sustainable business growth. In the ever-evolving digital era, effective marketing is not just about selling products but also about creating better customer experiences and building long-term relationships with them.

3. Conclusion

Digital marketing on e-commerce platforms has become a key element in modern business strategies. With various advanced features such as user experience personalization, data analytics, and targeted advertising algorithms, companies can reach a wider audience and increase sales conversion rates. Discounts and promotional offers have proven effective in attracting new customers, while loyalty programs help retain existing ones. Additionally, the use of social media and collaboration with influencers play a significant role in building brand awareness and enhancing customer engagement. By continuously developing innovative digital marketing strategies, companies can maintain their competitiveness in an increasingly competitive market.

Besides conventional marketing strategies, technological innovations such as Artificial Intelligence (AI), Augmented Reality (AR), and Virtual Reality (VR) provide added value to the customer shopping experience. These technologies enable personalized product recommendations, deeper interactions, and product simulations before purchase. Furthermore, marketing strategies that prioritize sustainability are becoming increasingly important in the digital era. Companies that adopt environmentally friendly business practices and uphold transparency and business ethics have greater opportunities to gain customer trust. Therefore, business sustainability on e-commerce platforms relies not only on technology but also on the values and ethics implemented by the company.

This research emphasizes that an effective digital marketing strategy on e-commerce platforms must involve various elements, from attractive promotions and the utilization of the latest technology to the implementation of sustainability values. By understanding trends and challenges in digital marketing, companies can develop a more adaptive and responsive approach to market needs. In the future, the rapid advancement of technology will continue to transform the digital marketing landscape, requiring companies to constantly innovate and adapt to stay relevant. With the right approach, digital marketing can not only boost sales but also build long-term customer relationships and ensure sustainable business growth.

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