



## Digital Economy and Finance Integration in Contemporary Indonesia

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### ARTICLE INFO

### ABSTRACT

#### Article history:

Received April 28, 2024

Revised June 19, 2024

Accepted August 23, 2024

#### Keywords:

Digital Transformation Human Resources Management

The digital economy is one of modern system. That is an aspect of the economy based on the utilization power of high-tech approach. Clearly that is about empowerment of digital information and communication technology. In our country, the digital economy system is growing very fast along with the increase of large market potential actually. The purpose of this research is to find out how the role of the digital business economy for the development of the modern market economy in Indonesia. The method used is using library research or library study (library research). The results of this study indicate that the presence of digital system presented of quality, such as better of negotiation, business style, and modern markets but the regular markets still needed for people of Indonesia.

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### 1. INTRODUCTION

Digitalisation is one of the characteristics of environmental change in the era of globalisation, which is characterised by the development of technology and information, dependence and borderless countries. Digitality is an aspect of the economy that is based on the use and empowerment of digital information and communication technologies (Al-aflah et al., 2022).

One of the impacts of the development of information technology that has created a massive digital transformation is the widespread business on the e-commerce platform. One of the impacts of the development of information technology that has created massive digital transformation is the expansion of business on the e-commerce platform, which has increased the growth and development of digital companies entering the industry (Lalić et al., 2020). Wholesale and retail trade, vehicle repair and maintenance, accommodation and gastronomy, mining and quarrying and processing industries and other service companies such as transport and warehousing. Digital financial inclusion is becoming central in the debate on how to ensure that people who are at the lower levels of the pyramid become financially active (Mhlanga, 2020).

Digital transformation has brought about complex and interrelated effects on society and the economy (Ashta & Herrmann, 2021). This has caused many parties, both public sector decision-makers and private sector business players, to take an approach or create an approach in order to develop new business strategies. Creating a digital platform as part of digital transformation is the best way for companies to maximise the added value of their products (Papers et al., 2022).

A city's digital marketing strategy is created through the promotion of city branding, which includes the creation of marketing manuals or guides as well as digital systems for mobile applications and web portals (Marginingsih, 2021). Information and communication technology (ICT) has been widely utilised in various factors, serving as an important tool in attracting visitors for various purposes marketed through mobile apps and online portals or websites (Nurjaman, 2022).

If we talk about the definition of the digital economy, it can be said to be as an economic activity that relies on or uses the help of internet. With this digital economy, someone can make money more easily and flexibly. easier and more flexible. In addition to economic actors, and also the government, the benefits of digital economy can also be felt by consumers (Urika, 2023).

The need for a regional brand, will make the region have a strong positioning, especially in the field of tourism globally (Odinet, 2021). To shape the competitiveness of the city, there are several things that must be considered, namely all the potential owned, especially the potential of human resources, because this potential has a significant influence in globalisation. City branding is one of the efforts to shape the competitiveness of a city or region, and is currently the main focus and a fairly urgent need for all districts throughout Indonesia (Nuraini et al., 2021).

Considering the number of existing practices, digital payment systems are is very efficient in its use. However, there are still many Indonesians who have not used this facility. This can be proven by the large number of users of cash to pay for goods or services. Consumers who use digital payment systems today are generally dominated by the middle to upper middle class, as well as people who are already tech-savvy (Tarantang et al., 2019). The development of city branding in a region runs well if it is supported by all potential components in the region. The local government must build a brand for the region, of course in accordance with the potential and positioning that is the target of the region (Redjeki et al., 2018). A region or area will have good smart branding if it can explore all the potential that exists in the region. This potential can have to be able to display an identity, symbol, and logo (Redjeki et al., 2018).

In this era of increasingly competitive in all areas of life, marketing yourself through a name or brand is important, among others, because there has been a change in perception and understanding of the meaning and meaning of a name, the uniqueness or uniqueness of a name, which in turn will make it easier for others to remember the person who has the name as well as positioning it as something different from other people or competitors, as well as advances in science, science and technology which have an impact on increasingly intense competition in achieving the title of excellence (Setiawan, 2018).

The phenomenon is a condition where the emergence of many photographers makes the competition even tougher. One of the most important things that every photographer needs to do and pay attention to is to continue to innovate and create so that they can continue to exist in the midst of intense competition (Yunitasari & Japariato, 2013).

## 2. RESEARCH METHOD

This research uses a descriptive qualitative approach with observation data collection techniques, in depth, 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 (Padang et al., 2021, Lambert & Lambert, 2013).

### 3. RESULTS AND DISCUSSIONS

The digital economy continues to show very rapid development, ranging from primary, secondary and even tertiary needs are offered online. Primary, secondary and even tertiary needs are offered online (Hu, 2020). Business actors have also many have begun to utilise digital technology to conduct their business. Companies derived from this new economic activity are also growing including delivery and cargo services, online motorbike taxis and all types of delivery have experienced the development and creativity of the nation's children (Fenech, 2022).

Development and creativity of the nation's children. Although the share ownership is already owned by foreigners, but the development is very fast and each company competes with each other, so it is known as burning money in the economy. Each company competes with each other so that it is known as burning money in terms of promotion (Tarantang et al., 2019). No one knows whether they have made a profit or not because on the one hand the costs incurred are costs incurred in terms of marketing, but on the other hand we can see that there has been a shift from offline to online which makes online transactions have reached hundreds of billions of dollars (Permana & Puspitaningsih, 2021).

The potential of the digital economy is so great that it continues to grow from time to time especially after entering the digital economy 5.0 era. According to the Minister of Trade, to optimise the potential of the digital economy, he added, there are a number of things that must be improved, including telecommunications infrastructure and protection of the digital economy. that must be improved, including telecommunications infrastructure and digital consumer protection. protection of digital consumers (Permana & Puspitaningsih, 2021).

Labour force with special skills in technology is also one of the basic pillars of the digital economy. technology is also one of the important basic pillars, the innovation ecosystem is also important to the digital economy, as well as public services, the digital economy, and good digital governance and strategy. governance and good digital strategy (Komunikasi, 2020). He emphasised, related to the downstreaming of the digital economy, Indonesia must also be able to utilise new wave technological developments such as 5G technology, IoT (internet of things), blockchain, artificial intelligence, and cloud computing (Permana & Puspitaningsih, 2021).

Economy Digital economy also helps a lot in development of small, micro and medium-sized enterprises (SMEs) through online commerce and electronic banking. services. The existence of digital economic transactions also encourages changes in the mindset of individuals and organisations in making economic decisions and transactions that are more effective and efficient (Ramadhanti & Ismail, 2023). Negative aspects We will focus on three aspects, namely: First, the risk of labour reduction or job losses due to automation, robotisation, and automation, robotisation, and network efficiency, which are which has hit almost all business activities, such as the such as the financial and banking industry, shop and mall-based commerce which are being rivaled by online commerce, the industry, conventional print and advertising media that are starting to be rivaled by digital social media (Idat, 2019).

Second, the occurrence of economic cybercrime in the form of illegal transactions such as money laundering, drug transactions, hackers or hackers financial break-ins,

fraud through internet network transactions (Barišić et al., 2021). Activities unscrupulous or unethical promotion or advertisement unethical promotional or advertising activities, cracking into networks with the intention of stealing, altering, or destroying data. destroy data(Kato, 2020). Third, the threat of decline in the competitiveness of domestic production competitiveness of domestic production with the rise of digital transactions which facilitates the entry of foreign products(Idat, 2019).

The value of electronic money transactions really needs to be maintained and socialised more actively by the the government, or related authorities such as Bank Indonesia, especially to people in regions where mobility is not as much as in big cities (Maharani & Ulum, 2019).The value of e-commerce transactions in the long run has a significant and negative effect, which means that if the value of e-commerce transactions increases, it will cause economic growth to decline.transactions increases, it will cause economic growth to decline(Kato, 2020). The most likely to be able to respond to this phenomenon is because the increase in electronic market that occurs in the electronic market is also in line with the rise of fraud and cyber cases that occur in e-commerce. fraud cases that occur in e-commerce. With cases like the above, the use of e-commerce in the long run can be abandoned by consumers(Rahmat, 2023).

#### 4. CONCLUSION

Based on the discussion above, several conclusions were obtained some conclusions, among others: 1). Optimising tourism management through smart tourism can increase tourist visits tourist Regency.2). Increased tourist visits can support the improvement of the image of a Regency / City. 3). The smart tourism approach can be used as a city branding strategy strategy so that it will support the acceleration towards smart city. 4). City branding can be done by looking at the potential of the area that characterises an region. The construction of the use of artificial intelligence in the development of smart cities is very possible. City branding with artificial intelligence is integrated with the construction of smart cities. In the discourse of this study, tourism city branding is a necessity for accelerated development, especially the tourism sector.

#### ACKNOWLEDGEMENTS

Thanks to Allah SWT who has blessed me with goodness, so that this study is complete. The rest of my gratitude goes to my institution, to colleagues who helped with this scientific work. This research is independent, and is for academic purposes only. There are no conflicting interests that could undermine the independence of this scientific study.

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