

DIGITAL SOCIAL INNOVATION STRATEGY AS A SUSTAINABLE SOLUTION FOR ENTREPRENEURIAL DEVELOPMENT IN SOUTH MERUYA URBAN VILLAGE

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ABSTRACT

Entrepreneurs in South Meruya Urban Village face the critical challenge of addressing diverse social needs while promoting sustainable and environmentally conscious behavior. These needs have spurred the development of social innovations driven by a range of stakeholders, including government bodies, private enterprises, non-profit organizations, community groups, and the entrepreneurs themselves. As digital technology becomes increasingly integral to innovation processes, digital social innovation, defined as socially driven innovation mediated by digital tools, emerges as a strategic enabler. This paper highlights how entrepreneurs, through collaboration with users, innovators, and institutions, utilize digital platforms to co-create knowledge and solutions that meet social, economic, and environmental demands in a collective and sustainable manner. The study underscores the central role of entrepreneurs in generating social value and positions digital social innovation as an effective framework for designing impactful innovation models.

Keywords: Business Sustainability, Digital Social Innovation, Entrepreneurship, Multi-stakeholder Collaboration.

1. INTRODUCTION

Innovation plays a vital role in the business world due to its contribution to the growth and development of entrepreneurs. Higher levels of innovation are typically found within cultures that prioritize learning and development (Buyannemekh, 2024). Moreover, digital technology has become a key driver in the emergence of new entrepreneurs, products, and services. Social innovation focuses on creating solutions that are more effective, efficient, sustainable, and equitable in addressing social challenges, with benefits aimed at serving society at large rather than specific individuals. Such innovations involve the development of new products, services, and models intended to enhance human well-being, improve quality of life, and foster social collaboration (Böttcher et al., 2024). However, multi-stakeholder participation in leveraging digital technology as a tool for social innovation remains limited. The underutilization of digital technology among entrepreneurs poses a significant challenge (Deni & Qodir, 2024). Furthermore, the digital readiness of entrepreneurs is still at a learning stage, as illustrated in the following figure.

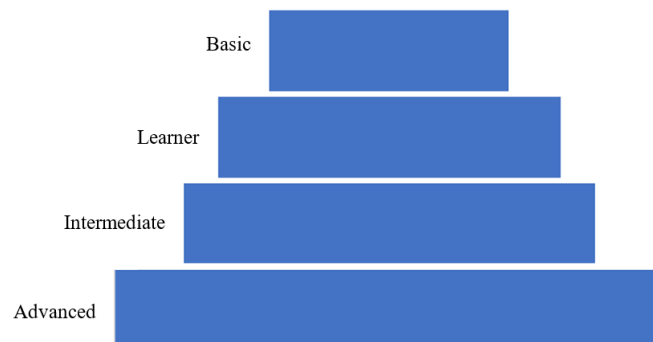


Figure 1. Level of Digital Technology Readiness

Based on data assessing the digital technology readiness of business actors, evaluated through indicators such as leadership, business capacity, manufacturing operations, workforce and culture, technology, and business ecosystem, the results show that most entrepreneurs remain at the “learner” stage. This stage is predominantly occupied by micro and small enterprises, which typically utilize digital technology only for social media marketing, without further integration or innovation (Dewi, 2024). Several factors contribute to the limited use of digital technology in business practices, including a preference for direct selling, lack of interest, insufficient knowledge, and other reasons. The percentage distribution of these reasons is presented in the following figure (Muhamad, 2023).

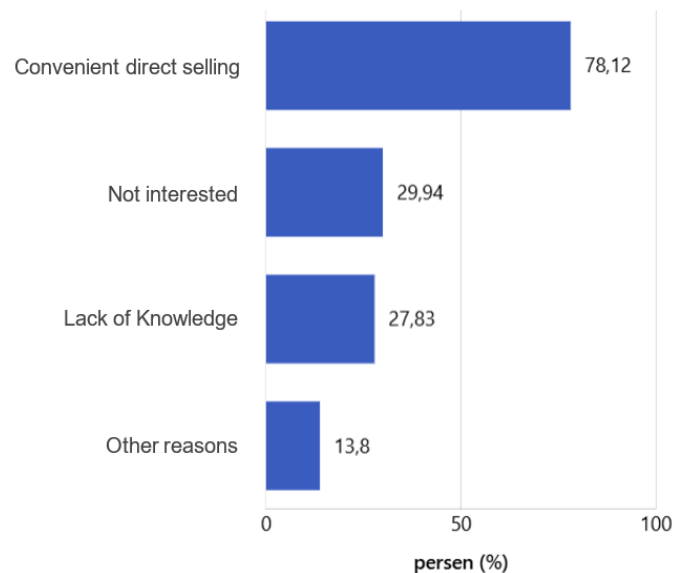


Figure 2. Reasons Why Business Actors do Not Use Digital Technology

In reality, many entrepreneurs still rely heavily on the digital ecosystem, and addressing this issue requires collaboration among stakeholders to provide entrepreneurs with the knowledge necessary to utilize digital technology and foster innovation. Effective collaboration among government, academia, media, the business community, and non-profit organizations is essential for strengthening entrepreneurial capacity and competitiveness, as well as for advancing digital social innovation (Dewi, 2024). Digital social innovation serves as a strategic approach for entrepreneurs, not only in meeting social needs but also in supporting business objectives by optimizing resource utilization and enhancing decision-making capabilities for other entrepreneurs (Mendis et al., 2019). In the case of Meruya South Urban Village, social innovation initiatives call for active, integrated collaboration among government, private sector actors, and the community to advance urban development across sectors and promote the well-being of all citizens (Meruya-Selatan, 2025). This reflects a collaborative structure in addressing social challenges, which lies at the core of social innovation. However, several ongoing issues have been identified in Meruya South, including: (a) the digitalization of public infrastructure in underdeveloped neighborhood units (Aziza, 2024), (b) the Urban Village's exclusion from the 2024 West Jakarta Administrative City's award for regional innovation (Faktapers, 2024), (c) disputes over road access stemming from economic issues (Hikmah & Mutiara, 2023), and (d) delays in resolving the appointment of neighborhood leaders (Tribunnews, 2022).

An effective strategy must take into account key factors that support the planning and development of products or services, namely the critical elements that ensure the sustainability of digital social innovation for stakeholders, particularly entrepreneurs in Meruya South Urban Village. Additionally, the strategy should include essential aspects for assessing and evaluating the achievement of both social and business goals through the products or services delivered to target PkM participants, including local administrative officers, PKK women's groups, neighborhood leaders, and entrepreneurs. These stakeholders serve as indicators of the long-term viability of digital social innovation in addressing social challenges. A sustainable digital social innovation strategy for entrepreneurs in Meruya South can be implemented through a comprehensive, synergistic approach involving all key stakeholder groups: non-profit organizations, communities and citizens, private enterprises, public institutions, academics and students, as well as social entrepreneurs.

Various circumstances and challenges faced by entrepreneurs in Meruya South Urban Village represent key organizational, technological, and human factors that must be considered in the strategic advancement of digital social innovation initiatives. However, this must be done through mentoring and training by sharing knowledge that can be applied with the aim of developing superior MSMEs (Hamdan et al., 2022). The following issues have been identified:

- Insufficient enhancement of social value aimed at meeting community needs.
- Limited utilization of information and communication technologies to strengthen the scalability, accessibility, and impact of digital social innovation efforts.
- Weak engagement in multi-stakeholder collaboration as an enabling ecosystem for supporting digital social innovation.
- Inadequate integration of stakeholder participation across all sectors.
- A lack of confidence in maintaining consistency toward sustainable economic value.
- Poor risk management in the implementation of digital social innovation enterprises.

Based on the identified challenges, the following proposed solutions are prioritized to ensure the sustainability of digital social innovation initiatives (Pateli et al., 2020):

- Social value delivery.** This refers to measuring the extent to which social value is delivered to beneficiaries. This indicator ensures that the entrepreneur's goals in implementing digital social innovation have been achieved.
- Scalability.** This assesses the entrepreneur's capacity to grow the digital social innovation initiative in a structured, planned, and sustainable manner. It determines how the initiative can be expanded to provide broader social benefits.
- Social impact.** This involves evaluating the positive social outcomes generated by the digital social innovation initiative, such as improved quality of life, enhanced user experience, and reduced risk. This indicator projects the anticipated social benefits of the innovation's implementation.
- Environmental impact.** This assesses the environmental benefits produced by the digital social innovation initiative, including increased environmental awareness, food waste reduction, and behavioral shifts in society to mitigate negative climate impacts. It helps estimate the expected environmental outcomes.
- Economic impact.** This refers to evaluating the economic contributions of the digital social innovation initiative, such as increased user income, job creation, and economic growth. This indicator estimates the potential economic gains from the initiative's implementation.

2. METHOD

This community service (PkM) approach in developing knowledge-based entrepreneurial solutions has shifted from being solely economically driven to integrating both economic goals and social needs. Entrepreneurship is now expected to create collaborative value—meeting the interests of various stakeholders across both business and social domains. Success in capturing and delivering this value relies heavily on the application of effective strategies and their optimal execution. The PkM activities to be conducted in Meruya South Urban Village are guided by several priority indicators: (a) value delivery, (b) scalability, (c) social impact, (d) environmental impact, and (e) economic impact. To achieve the desired digital social innovation strategy, the PkM initiative follows a series of structured stages. The following section illustrates these stages of implementation.

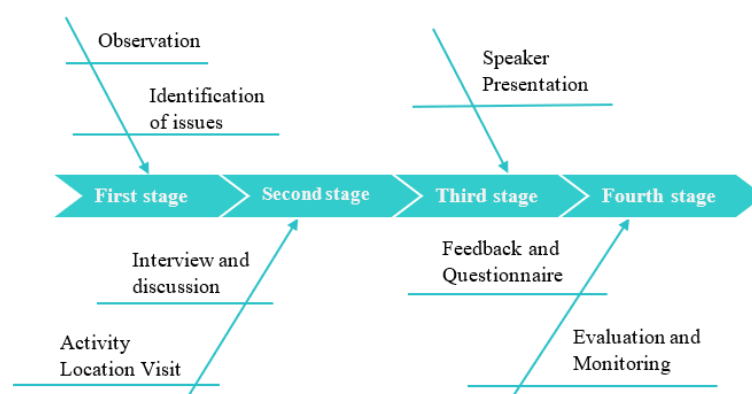


Figure 3. Stages of PkM Activities

- The initial step undertaken in this community service activity involved conducting observations related to the prevailing social issues in Meruya South Urban Village, followed by identifying the core problems. Once key social problems were identified, we proceeded to validate these issues through direct confirmation with relevant stakeholders within the community.
- In the second stage, we confirmed the identified problems by visiting the target location, our collaborative partner, and conducting interviews with stakeholders concerning the highlighted social issues. Based on the responses gathered, we found that these social issues were indeed significant and warranted further attention. However, an additional critical issue emerged: the lack of digital literacy among local entrepreneurs, which hampers the growth and sustainability of MSMEs. In response, our team proposed the theme “Digital Social Innovation Strategy as a Sustainable Solution for Entrepreneurial Development in South Meruya Urban Village.”
- In the third stage, after determining an effective theme to address social transformation through digital innovation, we developed a project proposal and designed a banner to promote the initiative. Invitations were extended to various stakeholders, including the Head of Meruya South Urban Village, neighborhood leaders, representatives from the Family Welfare Movement, local MSME actors, and other social community groups. These stakeholders were invited to attend a session where we would deliver material aligned with the proposed theme.

- d. The fourth stage represents the final phase of the PkM (Community Service Program) implementation. The material delivered to participants received a positive response, reflected through feedback such as questions regarding how to conduct social innovation by leveraging digitalization to support entrepreneurial efforts that generate sustainable economic value. In addition, we distributed questionnaires to all participants to gather their feedback on the presented content, assess our performance in delivering the material, and evaluate other services provided throughout the activity. Lastly, we conducted monitoring visits to several participants who represented the broader group of attendees.

3. RESULTS AND DISCUSSION

The outcomes of the Community Service (PkM) activities carried out in Meruya South Urban Village, with the theme “Digital Social Innovation Strategy as a Sustainable Solution for Entrepreneurial Development in South Meruya Urban Village,” have generated substantial insights and practical knowledge. These contributions are significant for the ongoing academic discourse, particularly in the domains of digital transformation, social innovation, and community-based entrepreneurship. The activities provided a platform for direct engagement between academic facilitators and community stakeholders, including local government officials, micro-entrepreneurs, community leaders, and civil society groups. Through participatory methods such as dialogue, presentation, interactive discussions, and feedback collection, the initiative helped identify key challenges and offered applicable strategies for sustainable business development through digital innovation. Furthermore, this initiative emphasizes the importance of inclusive collaboration among stakeholders to ensure social value creation and long-term impact. As evidence of the implementation process and community involvement, we present below several pieces of documentation that reflect the planning, execution, and evaluation stages of the PkM activities. These records support the broader aim of developing contextually relevant and scalable models of digital social innovation.



Figure 4. Documentation of PkM Activities

The material presented under the theme “Digital Social Innovation Strategy as a Sustainable Solution for Entrepreneurial Development in South Meruya Urban Village” has made a significantly positive contribution to enhancing the knowledge and awareness of key stakeholders within the community. Through this engagement, stakeholders, including local government officials, community leaders, MSME actors, women’s groups, non-profit and private organizations, as well as academics and students, have begun to recognize the vital role of social interaction and collaboration in developing and implementing innovation. These innovations, when structured within social networks and enhanced by digital technologies, form what is now widely recognized as digital social innovation. This concept not only addresses pressing social needs but also fosters inclusive economic growth and environmental sustainability through participatory and technology-enabled solutions. The involvement of diverse actors in such a digital social innovation ecosystem highlights the importance of a collective approach to social transformation. It further underscores that innovation is not the responsibility of a single actor but a shared effort driven by trust, knowledge exchange, and co-creation.

Moreover, this realization serves as an effective entry point for strategic decision-making among stakeholders, particularly in shaping future policies and programs that are digitally empowered and socially responsive. Previous studies have firmly asserted the responsibility of stakeholders, especially public institutions, to protect public interests and to act as enablers of digital transformation, ensuring equitable access and development (Hamdan et al., 2024). In this context, digital social innovation acts as a collaborative governance model that not only facilitates technological adoption but also ensures that innovation outcomes align with the values and well-being of the broader society. Hence, fostering digital social innovation in Meruya South presents a promising and strategic pathway toward sustainable development, greater civic participation, and resilient local entrepreneurship ecosystems (Ciro et al., 2019; Dodgson & Gann, 2020).

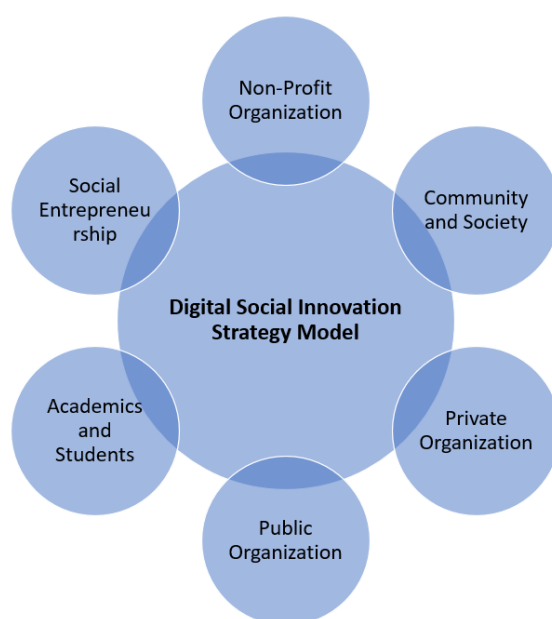


Figure 5. Digital Social Innovation Strategy Model

The model we propose has been confirmed to have a positive impact on the practice of social innovation in an era where every element has undergone digitalization. The digital social innovation strategy model is defined as a set of new approaches or programs implemented through digitized collaborative structures, serving as solutions to address social challenges. Several managerial implications derived from this initiative are critical in resolving such challenges. These solutions involve active stakeholder participation through a multi-stakeholder strategy, aimed at generating successful digital social innovation, which is elaborated as follows:

- a. **Social Entrepreneurs**
Their primary focus is to create social value through a solidarity-based economy by distributing products and services that generate positive impact. They promote digital social innovation by introducing new collaborative models that support collective interests.
- b. **Academics and Students**
Educators within academic institutions can utilize the strategic modeling of digital social innovation enterprises as a foundation for teaching aimed at addressing social needs. Students, in turn, can gain a comprehensive understanding of the key elements involved in these strategies.

c. Public Organizations

These organizations are responsible for delivering social services and enhancing societal well-being, with a central mission of creating social value. Public organizations can leverage digital technologies to reassess service strategies and design new solutions that are more responsive to citizens' needs, ensuring active public participation.

d. Private Organizations

Solution development within private organizations has shifted from a purely economic focus to the integration of both economic and social value. For-profit companies can adopt digital social innovation tools strategically to capture, create, and deliver blended value that meets the business and social needs of various stakeholders.

e. Nonprofit Organizations

These entities, including NGOs, philanthropic institutions, and civil society organizations, provide public services on a non-commercial basis. Similar to public organizations, they can employ available tools to design or refine services, thereby enhancing user experience and expanding their outreach to a larger number of beneficiaries.

f. Communities and Society

These are individuals who act as accelerators, agents that drive the pace of change or advancement. They serve as actors, initiators, and connectors actively involved in supporting sectoral development, from initial planning to implementation and evaluation, ensuring goals are achieved effectively and sustainably

4. CONCLUSION

A variety of actors across sectors, including social entrepreneurs, academics, public and private organizations, nonprofit institutions, and communities, play strategic roles in advancing digital social innovation oriented toward the creation of social value. Each contributes through distinct approaches and capacities, ranging from strategic development and cross-sector collaboration to community empowerment. The use of digital technologies as transformative tools enables the development of more adaptive, inclusive, and far-reaching solutions to social needs. The synergy among these actors is key to reinforcing a sustainable digital social innovation ecosystem.

In this context, digital social innovation serves to support entrepreneurs in mobilizing communities, managing resources, and sharing knowledge to harness the opportunities of digitalization. Digital transformation opens new avenues for broader social collaboration in addressing social, economic, political, and environmental challenges. The success of this model is influenced by several factors, including social values, technology, supporting ecosystems, multi-stakeholder engagement, economic sustainability, and risk management. The application of digital technologies must extend across all sectors to foster improvements in digital skills. Digital innovation not only generates novel solutions but also enhances social interaction in the pursuit of shared needs.

Digital social innovation plays a vital role in integrating social, economic, and environmental forces to create shared value through the strategic use of digital technologies. Its primary focus lies in offering new approaches to addressing social challenges. Entrepreneurs hold a central position in this process, as their commitment lies in delivering value to society. Ultimately, digital social innovation emerges as an effective strategy to assist entrepreneurs in designing superior models of social innovation.

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