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Competing through Local Networks in Kebon Agung's Sanitation Market

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Abstract: *This study examines how Bioaga-brand septic tank achieved full market dominance in Kebon Agung Sub-district, within the context of government-assisted sanitation programs. Using a qualitative explanatory approach with a single case study design, data were collected through non-participant observation and in-depth interviews with nine key informants, including community group leaders, beneficiaries, and competing sales representatives. The findings demonstrate that Bioaga's market dominance was not primarily driven by price competition or technical product differentiation. Instead, it was formed through relational mechanisms grounded in social capital, particularly trust and local networks established with institutional and community actors. Social capital functioned as an informal governance mechanism that facilitated market access, strengthened product legitimacy, reduced coordination risks, and enhanced acceptance at the community level. These results indicate that, in markets embedded within public programs and local institutional arrangements, marketing effectiveness depends not only on conventional marketing mix instruments but also on socially embedded relational processes. This study contributes to marketing and institutional economics literature by integrating social capital into the analysis of marketing strategy in regulated public markets. It provides empirical evidence that social capital operates as a mechanism that enables marketing strategies to function effectively under conditions of limited competition and institutional constraint.*

Keywords: *social capital; marketing effectiveness; service excellence; public sanitation market; case study*

Abstrak: Penelitian ini mengkaji bagaimana tangki septik Bioaga berhasil menguasai seluruh pasar di Kecamatan Kebon Agung dalam konteks program bantuan sanitasi dari pemerintah. Dengan menggunakan pendekatan kualitatif eksplanatoris dan desain studi kasus tunggal, data dikumpulkan melalui observasi non-partisipan dan wawancara mendalam dengan sembilan informan kunci. Para informan ialah ketua kelompok swadaya masyarakat, penerima manfaat, dan tenaga penjualan dari Bioaga serta perusahaan pesaing. Penelitian ini menemukan bahwa dominasi pasar Bioaga tidak terutama disebabkan oleh keunggulan harga maupun diferensiasi teknis produk. Dominasi tersebut terbentuk melalui mekanisme relasional yang bertumpu pada modal sosial, khususnya kepercayaan dan jejaring lokal yang terbangun dengan para aktor institusional dan masyarakat. Modal sosial berfungsi sebagai mekanisme tata kelola informal yang memfasilitasi akses pasar, memperkuat legitimasi produk, mengurangi risiko koordinasi, serta meningkatkan penerimaan di tingkat komunitas. Temuan ini menunjukkan bahwa pada pasar yang berada dalam kerangka program publik dan tata kelola di tingkat lokal, efektivitas pemasaran tidak hanya bergantung pada instrumen bauran pemasaran konvensional, tetapi juga pada proses relasional yang tertanam secara sosial. Penelitian ini memberikan kontribusi bagi literatur pemasaran dan ekonomi kelembagaan dengan mengintegrasikan modal sosial ke dalam analisis strategi pemasaran pada pasar yang berada dalam regulasi program pemerintah. Selain itu, penelitian ini memberikan bukti empiris bahwa modal sosial berfungsi sebagai mekanisme yang memungkinkan strategi pemasaran berjalan secara efektif dalam kondisi persaingan yang terbatas dan hambatan kelembagaan.

Kata Kunci*: modal sosial; efektivitas pemasaran; keunggulan layanan; pasar sanitasi publik; studi kasus*

INTRODUCTION

Market dominance in the context of public programs cannot always be adequately explained using conventional market competition logic (Bai, 2025). In sectors closely connected to government policy and local communities, product distribution is often shaped more strongly by social relations, institutional arrangements, and recommendation mechanisms than by price competition or technical differentiation alone (Acemoglu, 2025). Marketing and institutional economics literature suggests that such markets are relational in nature, where purchasing and adoption decisions emerge from repeated interactions among actors rather than from anonymous market transactions (Bardhi et al., 2025; David & Griffiths, 2026; Greif, 2025).

This condition is particularly evident in the provision of sanitation facilities, especially septic tanks, which are frequently distributed through government-assisted programs. These programs involve multiple actors, including technical agencies, community organizations, field facilitators, and beneficiary households. In such contexts, a product's success depends not only on its technical specifications or price, but also on its ability to gain trust, institutional endorsement, and social acceptance at the local level (Albaladejo-rodilla et al., 2025).

Kebon Agung Sub-district in Demak Regency represents a relevant empirical context. Population growth and increasing settlement density have heightened demand for sanitation facilities, prompting the local government to implement community-based septic tank assistance programs to prevent groundwater contamination. Official data from the Demak Regency Office of Public Works and Spatial Planning show that between 2021 and 2023, all septic tank assistance distributed in this sub-district used Bioaga-brand product, despite the availability of alternative brands with comparable prices and technical characteristics.

Table 1. Market Dominance of Bioaga Septic Tanks in Kebon Agung Sub-district, 2023

NO	YEAR	VILLAGES	SEPTIC TANK ASSISTANCE PROGRAMS (UNITS)	BIOAGRA PRODUCT USED (UNITS)	MARKET SHARE
1	2021	Mangunrejo	35	35	100%
		Megonten	50	50	100%
		Werdoyo	50	50	100%
		Tlogosih	50	50	100%
		Subtotal 2021	185	185	100%
2	2022	Mangun Lor	45	45	100%
		Mangunrejo	50	50	100%
		Soko Kidul	50	50	100%
		Pilang Wetan	50	50	100%
		Subtotal 2022	195	195	100%
3	2023	Babad	55	55	100%

Klampok Lor	60	60	100%
Mangunrejo	53	53	100%
Mangunan Lor	50	50	100%
Kebon Agung	40	40	100%
Prigi	50	50	100%
Megonten	50	50	100%
Subtotal 2023	358	358	100%
GRAND TOTAL	**738**	**738**	**100%**

Source: Demak Regency Public Works and Spatial Planning Office, 2023

Table 1 presents the distribution of septic tank assistance programs in Kebon Agung Sub-district from 2021 to 2023. The data show that all septic tank units distributed across villages during this period used Bioaga product, resulting in a consistent market share of 100 percent each year. This pattern appears across different village and program cycles, despite variations in the number of beneficiary households and annual allocation volumes. In total, 738 septic tank units were distributed during the three-year periods, all of which were supplied by the same brand. The uniformity of brand usage suggests that factors beyond price and technical specifications may have influenced product selection within the program. This condition provides an empirical basis for examining how market access and selection operate in public sanitation programs at the local level.

The pattern of complete market dominance raises an important analytical question: how can a single brand consistently secure market access in a regulated public program when price and product attributes are largely standardized? This question points to the presence of non-price and non-technical mechanisms operating within the marketing and distribution process. Previous studies suggest that in socially embedded and institutionally regulated markets, trust, networks, and relational proximity often play a decisive role, particularly when purchasing decisions are made collectively rather than individually (Ahoudjo & Guillaume Soullier, 2025; Donaldson et al., 2025; Galizzi, 2025).

While mainstream marketing literature emphasizes the marketing mix as a primary competitive instrument (Groupe, 2025; Shankar, 2025), this approach has been criticized for its limited sensitivity to social and institutional contexts. In regulated public markets, firms often face restricted flexibility in setting prices, modifying products, or designing promotional strategies (Hussain, 2025). As a result, the effectiveness of marketing strategies increasingly depends on relational capabilities, service reliability, and long-term engagement with stakeholders.

This study seeks to address this gap by integrating social capital analysis into the study of marketing strategy in a government-assisted sanitation market. Rather than treating marketing mix and social capital as separate domains, this research examines how social capital functions as a mechanism that supports marketing effectiveness under institutional constraints. Specifically, the study aims to explain how Bioaga's market dominance in Kebon Agung Sub-district was formed through the interaction between marketing practices and local-level social relations.

LITERATURE REVIEW

Social Capital as an Embedded Economic Resource

In social science and institutional economics, social capital is commonly understood as resources embedded in social relationships that enable coordinated action (Ancillai et al., 2026; Folorunsho et al., 2025; Tian et al., 2025). Putnam conceptualizes social capital through elements such as trust, norms, and networks that facilitate cooperation and collective efficiency (Baygeldİ, 2025; Sumi et al., 2025). This perspective emphasizes that economic activities are not autonomous processes, but are embedded within broader social and institutional structures.

In practice, this means that access to resources, decision-making processes, and economic outcomes are often shaped by relational factors rather than purely by market mechanisms (Ramon & Rita, 2025). Particularly in localized and community-based settings, social capital influences how actors interpret risks, evaluate opportunities, and sustain cooperation over time (Chen et al., 2025). Thus, social capital operates less as an abstract social attribute and more as a practical resource that conditions economic interaction (Reniati et al., 2024).

Social Capital in Relational Marketing Practices

In the context of economic exchange and marketing activities, social capital has been shown to affect how actors gain market access, legitimacy, and continuity (Kim et al., 2026; Reniati et al., 2024). Trust allows transactions to occur without excessive reliance on formal contracts, while networks function as channels for information flow, recommendations, and coordination. These mechanisms are particularly relevant in markets characterized by uncertainty and repeated interaction.

Marketing literature, however, has often treated markets as relatively anonymous arenas in which rational actors respond to prices, promotions, and product attributes (Decanio & Jennings, 2025; Małecka et al., 2025). While this assumption underpins the classical marketing mix framework, empirical studies increasingly demonstrate that purchasing decisions are frequently mediated by social relationships, especially in non-consumer and project-based markets.

This tension becomes evident in public sector and community-based markets, where decision-making authority is distributed across multiple actors. In such contexts, marketing effectiveness depends not only on how products are positioned, but also on how suppliers are embedded within existing institutional and social networks (Amin et al., 2025; Ismail, 2025). Recommendations from trusted intermediaries often carry greater weight than formal promotional messages (Araujo et al., 2025).

Several studies in public procurement and relational marketing suggest that marketing instruments do not operate independently of social context (Ahmed et al., 2025; Helinski et al., 2025; Mahr et al., 2025). Promotion tends to be more effective when delivered through trusted actors; distribution becomes smoother when supported by local networks; and perceptions of quality are often shaped by prior experience and reputation rather than by technical specifications alone. As a result, social capital mediates how marketing strategies are interpreted and enacted in practice (Reniati et al., 2024).

From this perspective, markets embedded in public programs can be described as relational rather than transactional. Access and continuity are shaped through long-term interaction, mutual adjustment, and the management of relationships (Gurung & Chaudhury, 2025). In such markets, competitive advantage is often derived not from differentiation in product features, but from reliability, coordination capacity, and trustworthiness (Thi et al., 2026).

Marketing Mix for Service Excellent within Regulated Markets

While the marketing mix remains a useful analytical framework, its effectiveness in regulated public markets is constrained by policy-imposed specifications and budgetary limits. In such markets, where formal competition is limited, the marketing mix alone cannot drive success. Service excellence and relationship management become essential extensions of the marketing mix, enabling firms to adapt and operate effectively within these institutional boundaries (Groupe, 2025; Hat et al., 2025). Service excellence, in this contexts, goes beyond the standards 4PS, incorporating relational elements such as trust, reliability, and long term engagement with stakeholders. By focusing on relationship managements, firms can mitigate the limitations of product differentiation and price-based competition. These relational practices ensure that the marketing mix remains functional and effective in environments where competition is constrained by regulatory frameworks and where social capital and trust play significant roles in market outgomes (Gurung & Chaudhury, 2025). Thus, relational strategies are not a replacement for the marketing mix but are integral to its success under regulatory conditions.

RESEARCH METHOD

This study adopts an explanatory qualitative approach, utilizing a single case study design. The qualitative approach was selected because the research does not aim to test causal relationships statistically but seeks to gain a deep understanding of the factors behind the market dominance of Bioaga brand septic tanks in the Kebon Agung Sub-district, Demak Regency (Creswell, 2018, 2023). Specifically, this study aims to explore the “why” and “how” certain marketing strategies work effectively within a local market that is influenced by social relationships and public programs. In doing so, the research focuses on understanding the mechanisms through which Bioaga has achieved market dominance in a regulated, community-based environment.

A case study design was chosen because this research centers on a specific, contextual, and unique case (Rahoyo et al., 2025). The case under investigation is Bioaga’s market dominance for three consecutive years in the distribution of government-subsidized septic tanks. The case study method allows the researcher to explore the interactions between marketing strategies, social capital, and local institutional context in a holistic manner. This approach is particularly useful in markets where formal regulations and product specifications shape decision-making processes, as it enables an in-depth analysis of the relational dynamics that contribute to market success.

The informants in this study include nine individuals, consisting of three leaders from Community Self-Help Groups (KSM), three beneficiary community members, and three sales representatives from three different septic tank brands, all operating in the Kebon Agung Sub-district. This diversity among informants ensures a comprehensive understanding of the various perspectives involved in the market dynamics.

Data for this study were collected using in-depth interviews, non-participatory observation, and documentation (Creswell, 2018; Rahoyo et al., 2025). Data analysis followed the framework outlined by Miles and Huberman (Alhojailan; Ibrahim, 2012), which involves data collection, data condensation, data presentation, and conclusion drawing. The process was further supported by coding and theme identification to systematically organize and structure the findings.

RESULTS AND DISCUSSION

The Septic Tank Market in Public Sanitation Programs

Field findings show that the septic tank market in Kebon Agung Sub-district cannot be understood as a free or competitive market in the conventional sense. From the outset, government regulations define technical specifications, certification standards, and budget ceilings. These arrangements effectively narrow the space for price competition and limit meaningful product differentiation among suppliers. In practice, most products circulating in the program meet similar technical requirements, making quality-based competition largely irrelevant. This regulatory setup aligns with the finding of (Greif, 2025), who emphasizes that institutional regulations can significantly limit competition by establishing strict market entry criteria, leaving little room for suppliers to compete based on price or quality differentiation.

Additionally, the government's strict guidelines ensure that suppliers must adhere to these specifications, thereby reducing the risk of substandard products entering the market. This aspect reflects Putnam's conceptualization of social capital (Baygeldİ, 2025), where institutional trust reduces market friction by ensuring that only products that meet a certain standard are allowed to enter the market, thereby minimizing consumer risk. This regulatory environment reinforces uniformity across available options, limiting consumer choice based solely on technical criteria (Gurung & Chaudhury, 2025; Hussain, 2025).

Under these conditions, brand selection is not driven by individual household preferences. Instead, decisions are made collectively through Community Self-Help Groups (KSMs), with strong input from field facilitators and informal endorsements from government agencies. These institutional actors function as market gatekeepers, determining which brands gain access to program distribution. This collective decision-making mirrors the finding of (Araujo et al., 2025), who argued that in community-based markets, decision making is often shaped by social capital, where trust-based relationships influence which products are accepted. These institutional mechanisms, based on shared responsibilities and mutual expectations, ensure that brand selection is not merely a transaction but a relational process. In this setting, the networks of facilitators and local authorities act as informal governance systems, which ensure product legitimacy and guide product selection (Mahr et al., 2025).

As a result, Bioaga's advantage cannot be reduced to technical superiority; instead, it is closely linked to its ability to operate smoothly within this institutionalized decision-making structure, where relational capital plays a critical role. This observation supports the findings of (David & Griffiths, 2026), who suggest that in regulated markets, success is not solely based on product differentiation but on the company's ability to navigate social and institutional networks. By aligning itself with these established institutional norms and maintaining strong relationships with facilitators and local community leaders, Bioaga has positioned itself as the preferred brand, ensuring market dominance (David & Griffiths, 2026; Galizzi, 2025). This approach challenges the conventional wisdom of competitive advantage, highlighting the role of relational capital in maintaining a stable market position within the constraints of public sector programs (Galizzi, 2025).

Relational Decision-Making and Marketing Strategy

Interview data consistently point to process reliability as a central consideration in brand selection. Bioaga is perceived as dependable because it delivers products on time, provides on-site technical assistance, and responds quickly to problems encountered during installation. In a program environment where delays or technical errors can jeopardize implementation targets, these attributes significantly reduce perceived of risk (Bai, 2025; Greif, 2025). Customers, particularly those involved in community-based programs like those in Kebon Agung, prioritize a dependable product and service that aligns with the program's deadlines. Bioaga's ability to consistently meet these expectations creates a sense of security among its stakeholders, which is crucial for maintaining a steady market position.

Relationships with field facilitators, KSM leaders, and local officials play a crucial role in this process. These relationships function as informal governance mechanisms that substitute for rigid contractual controls. Rather than relying on formal enforcement, coordination is maintained through repeated interaction, mutual familiarity, and shared expectations about responsibility and performance (Araujo et al., 2025; Hussain, 2025). In this way, the reliance on relational trust allows Bioaga to maintain its position without the need for costly contractual enforcement, which would be more prevalent in more formal market structures. This network of connections not only facilitates smother operations but also strengthens Bioaga's position as a preferred partner in the local community, where trust and familiarity are key drivers of decision-making.

This relational configuration shapes Bioaga's marketing strategy. Sales personnel are not positioned merely as sellers competing for orders, but as intermediaries who help coordinate logistics, resolve technical issues, and ensure compliance with program requirements (Greif, 2025; Shankar, 2025). Their role extends into problem-solving and facilitation, blurring the boundary between marketing and implementation. In this context, sales people act as facilitators of the entire service delivery process, ensuring that Bioaga's products meet not only technical specifications but also the community's expectations, which are formed through ongoing engagement with stakeholders.

Price competition, therefore, becomes secondary. Incentives and after-sales services are deployed not to undercut competitors, but to reinforce existing relationships and signal long-term commitment. For instance, promotional strategies such as offering discounts or free maintenance services are employed not as competitive tools, but rather as ways to solidify Bioaga's role as a reliable and integral part of the community's sanitation efforts (Bardhi et al., 2025; David & Griffiths, 2026). In this sense, Bioaga's marketing strategy is relational rather than transactional, oriented toward maintaining continuity within the program rather than capturing one-off sales. By fostering long-term relationships with key stakeholders and providing dependable service, Bioaga has created a business model that thrives on sustained trust and community engagement, rather than short-term market fluctuations.

Social Capital and Market Dominance

The findings indicate that social capital—particularly trust and networks—operates as the key mechanism underlying Bioaga's sustained market dominance. Trust plays a pivotal rules in reducing uncertainty in a setting where not all contingencies can be formally regulated. In the context of government- assisted sanitations programs, many aspects of the market process cannot be easily captured by formal contracts or rigid regulations, leaving room for relational factors to govern decision-making (Baygeldİ, 2025; Greif, 2025). As noted in previous studies (Ahoudjo & Guillaume Soullier, 2025), trust acts as a foundational element in reducing transaction costs and fostering cooperation in institutional environments, where formal agreements are not always sufficient to ensure compliance. Trust between Bioaga and key institutional actors, such as field facilitators and local government officials, creates a stable environment where decisions can be made efficiently and in alignment with program objectives. This trust ensures that Bioaga remains a reliable partner in the distribution of sanitation products, as it is perceived as consistent in meeting deadlines, fulfilling product specifications, and adhering to regulatory requirements.

In line with the findings of (Mahr et al., 2025), trust in relational markets like these is a crucial factor that not only facilitates transactions but also enhances the sustainability of those transactions over time. Trust, therefore, plays a dual role in Bioaga's success: it not only minimizes risks associated with product delivery and performance but also ensures continued collaboration between Bioaga and local actors who play a crucial role in program execution. This trust is not simply built through transactional exchanges; it is developed through repeated interactions, personal engagement, and transparency, all of which are critical in environments where product selection is heavily influenced by institutional recommendations.

Networks, on the other hand, provide Bioaga with direct access to decision-making processes that shape program implementation. These networks, consisting of relationships with local community leaders, KSM representatives, and field facilitators, act as conduits for Bioaga's products to gain legitimacy and market access. As suggested by (Araujo et al., 2025), networks in such setting provide firms with the strategic positioning necessary to navigate complex institutional landscapes, facilitating sustained market penetration. Through these networks, Bioaga has been able to leverage its relationships with local stakeholders, which has allowed the company to integrate itself seamlessly into the local sanitation program. This finding is consistent with the argument of (Araujo et al., 2025), who emphasize the role of relational capital in gaining access to resources and opportunities that would otherwise be unavailable to firms operating in highly regulated market. Relational capital provides firms with critical access to decision-making process, institutional networks, and local stakeholders. This align with (Reniati et al., 2024), who discuss how strong ties and relational networks can enhance firms' ability to penetrate and sustain themselves in regulated markets by securing the trust and support of key institutional actors. By integrating relational capital into their marketing and distribution strategies, firms can overcome barriers posed by formal regulations and market constraints, allowing them to access resources and market opportunities that would otherwise be difficult to obtain.

Bioaga's network strategy goes beyond simple market penetration; it actively builds and strengthens social connections that contribute to long-term business success. By fostering strong ties with key decision-makers, including community leaders and local government officials, Bioaga has been able to ensure its product remain a preferred choice in the region. The company has invested in nurturing these relationships, attending community meetings, offering support to local initiatives, and integrating itself into the social fabric of the community. This align with the work of (Mahr et al., 2025), who argue that in relational markets, firms that engage deeply with local networks and institutions are able to build a strong competitive advantage that is not easily replicated by competitors

The role of networks in facilitating market dominance in regulated environments, particularly those involving public sector collaboration, is consistent with findings from (Reniati et al., 2024), who emphasized the importance of relational strategies in overcoming regulatory barriers. By being embedded in local networks, Bioaga is able to access vital information, recommendations, and resources that are crucial for sustaining its market position in the long term. These networks provide Bioaga with a channel for continuous feedback and engagement with key actors in the local sanitation program, ensuring that the company can adapt its marketing and operational strategies in response to changing community needs and government regulations. This dynamic form of market participation, which emphasizes long-term relationship-building, is in stark contrast to traditional competitive dynamics, where firms often compete on price, product features, and promotional activities.

Importantly, this form of dominance does not resemble monopoly power based on price control or market foreclosure. Rather than relying on conventional monopolistic strategies, Bioaga's market dominance reflects relational stability that has been carefully built through repeated interactions and institutional alignment. In contrast to the view expressed by (Greif, 2025), who suggests that institutional monopoly power often relies on formal regulation and control, Bioaga's success highlights the role of relational capital in overcoming the limitations imposed by such regulations. Bioaga's dominance is a result of its ability to navigate the complex web of social and institutional relationships, rather than using aggressive tactics or market manipulation (Hussain, 2025). The success of Bioaga in maintaining a steady market presence highlights the importance of long-term relational capital as a form of competitive advantage.

This finding aligns with the work of (David & Griffiths, 2026), who argues that in regulated markets, relational and institutional connections often substitute for traditional forms of market competition. Bioaga's market dominance is not achieved through price-based competition or product differentiation but through the strength of its relationships with local community leaders, field facilitators, and government actors who play a critical role in the decision-making process. In this way, Bioaga's competitive advantage is rooted in its ability to navigate and leverage the social and institutional networks that define the market.

The case supports the argument that in regulated public markets, social capital can function as a relational and legitimate source of competitive advantage. As evidenced by Bioaga's success, fostering relationships based on trust, cooperation, and shared expectations can be just as important, if not more so, than traditional market strategies in ensuring sustained market leadership (Mahr et al., 2025; Reniati et al., 2024). This insight challenges the traditional view of competitive advantage, suggesting that in institutionalized and regulated environments, relational capital may be the most effective means of securing and maintaining market dominance. In fact, this approach to market dominance via relational capital can be seen as a more sustainable alternative to the competitive strategies that typically dominate free markets, providing Bioaga with a long-term position of trust and stability.

The key takeaway from this analysis is that in markets embedded within government regulation, social capital functions as a potent mechanism for sustaining market dominance. As (Baygeldİ, 2025) suggests, institutional relationships and trust that emerges from these networks can be as powerful, if not more so, than traditional competitive strategies that rely on market manipulation or price control. Bioaga's success in Kebon Agung demonstrates that in a regulated market, firms that excel at building and nurturing relational capital can outperform their competitors, not through price wars or aggressive promotions, but through the cultivation of trust and cooperation within the institutional landscape.

This research contributes to a broader understanding of competitive advantage in regulated and institutionalized markets. By integrating social capital into the analysis of marketing strategy, it sheds light on how firms can thrive in environments where traditional market forces such as price competition and product differentiation are limited or controlled. As evidenced by the case of Bioaga, relational capital is not just an auxiliary advantage but a primary factor in securing long-term market success in institutionalized markets. This insight challenges traditional views of competition, suggesting that relational strategies may be the most effective means of securing market leadership in environments shaped by government regulations and local institutional frameworks.

CONCLUSION

This study shows that Bioaga's dominance in the public sanitation market of Kebon Agung Sub-district cannot be adequately explained by product quality or conventional marketing instruments alone. The market operates under regulatory constraints that limit price competition and technical differentiation, shifting the basis of competition toward coordination capacity and implementation reliability. While the technical features of Bioaga's septic tank contribute to their appeal, it is the ability to operate within these regulatory constraints that has allowed Bioaga to outperform competitors.

Bioaga's success lies in its ability to integrate marketing practices with social capital, particularly trust and local networks. Social capital functions as a mechanism that reduces uncertainty, facilitates coordination, and sustains access to program-based markets. In environments where formal contracts and rigid regulations cannot capture the complexities of market interactions, relational dynamics such as trust, network strength, and local endorsements become key factors in ensuring market access and stability. These findings reinforce the broader argument that in public and project-based markets, competitive advantage is closely tied to relational capabilities and alignment with institutional structures. This study challenges traditional views of market competition, demonstrating that relational networks and social capital are just as crucial, if not more so, than traditional marketing strategies in such regulated contexts.

Implications and Limitations

Use of AI

The use of AI, specifically ChatGPT, is confined to translating the article written by the author from Indonesian into English. Additionally, AI is employed to enhance the article's readability. IT is important to note that AI has not been used to generate the article's content in any form.

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