

E-Commerce Adoption, Social Media Marketing Strategy and MSME Performance : The Mediating Role of Business Sustainability in the Creative Industry

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Abstract

MSMEs must employ the appropriate technology and comprehend the proper online marketing strategy to use social media and e-commerce efficiently. The creative industry of CV. Putra Wijaya has completed this task the Adia brand. This study attempts to find out if business sustainability predictions have a direct impact on MSME performance, e-commerce adoption dan social media marketing strategy predictions have a direct impact on business sustainability and MSME performance, business sustainability in indirectly mediating e-commerce adoption and social media marketing strategy on MSME performance CV.Putra Wijaya. This study employs a quantitative methodology with a population and sample of 170 customers who bought Adia brand products from February to March 2024. In collecting data, this research used a questionnaire and analyzed using SmartPLS 3. The results of this research show that business sustainability has a direct and positive effect on MSME performance, e-commerce adoption does not have a direct and positive effect on business sustainability, e-commerce adoption also does not have a direct and negative effect on MSME performance, but social media marketing strategy has a direct and positive effect on business sustainability and MSME performance. Business sustainability cannot mediate e-commerce adoption indirectly and positively on MSME performance, but business sustainability can mediate social media marketing strategy indirectly and positively on MSME performance at CV. Putra Wijaya.



Keywords : E-Commerce Adoption, Social Media Marketing Strategy, Business Sustainability, MSME Performance, Creative Industry

INTRODUCTION

In the business sector, this phenomenon is still growing, as evidenced by the rise of social media and e-commerce. In the online world, social media and e-commerce are two marketing channels that are still expanding. As of January 2024, 5.35 billion people worldwide were internet users, according to data from We Are Social and Meltwater. With an increase from the previous year, this figure now represents 66.2% of the 8.08 billion people on the planet. It is estimated that over 50% of people on the planet use the internet for different purposes, and this number will rise annually.

To put it briefly, e-commerce is a developing concept that offers a platform for the offering, buying, selling, and marketing of goods and services through electronic systems. Business actors can reach greater sales targets and advertise their products more extensively with e-commerce. Additionally, social media influences how people shop by putting a greater emphasis on the customer and enabling social platform communication between customers and retailers. Because they can reach a wider range of consumers and expand their business reach, MSMEs perform better in environments like these. However, MSMEs must be aware of the proper online marketing techniques and make use of the appropriate technology to leverage social media and e-commerce efficiently. Using an online shopping platform, this marketing tactic is frequently referred to as e-commerce adoption. Meanwhile, marketing strategies using social media platforms are often known as social media marketing strategies. E-Commerce adoption has a positive impact on marketing performance (Sugandini et al., 2021). MSMEs and e-commerce technology adopters yearly sales growth rate is positively and significantly impacted by e-commerce adoption. Compared to non-e-commerce adopters, commerce has a substantially higher sales growth rate (Abebe, 2014). According to Chanthinok et al. (2015), every facet of social media marketing strategy necessitates marketing operations in the form of improving customer satisfaction or achieving excellence. These variables act as mediators, influencing marketing performance. Another name for social media is Web 2.0. According to A. Daowd (2020), social media is regarded as a critical component for large organizations and SMEs in developing nations to enhance their performance. This is the rationale behind how e-commerce adoption benefits MSME performance. The adoption of social media even acts as a positive mediator in the relationship between MSME performance and e-commerce adoption (Sikandar Ali Qalati et al., 2021).

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Research supports this, explaining that creative and adaptable HRD is essential to achieving business sustainability in the uncertain and ever-evolving digital era (Pratama et al., 2023). Because the sustainability business model can help MSMEs provide long-term business sustainability, MSMEs need to develop and revise their businesses to do so (Pramudyastuti et al., 2023). Consequently, to ascertain business sustainability going forward, research about business sustainability variables is required.

Since 2016, CV. Putra Wijaya has worked in the creative industry under the Adia brand. This company uses Kediri ikat woven batik as the primary material to produce a variety of goods. This product, which combines weaving with a range of colors and distinctive motifs along with a straightforward modern design, has always benefited from the idea of modern ethnic design. Compared to other rivals, this advantage is what motivates the company to grow in the online space. While utilizing social media and e-commerce as marketing channels, CV. Putra Wijaya has been ongoing. But as it happens, customers don't know much about the Adia brand. The number of e-commerce followers is quite low. Social media product posting hours continue to coincide with business hours, even though customers hardly ever see posts during these hours, and the variety of products offered is not represented in every post. The performance of MSMEs can be impacted by these different issues, particularly in the absence of a sustainability business model. Thus, the purpose of this study is to determine how social media marketing strategy and e-commerce adoption affect MSME performance as measured by business sustainability.

Problem Identification

This research has the following problem formulation:

1. Does business sustainability have a direct effect on MSME performance at CV. Putra Wijaya?
2. Does e-commerce adoption have a direct effect on business sustainability at CV. Putra Wijaya?
3. Does e-commerce adoption have a direct effect on MSME performance at CV. Putra Wijaya?
4. Does social media marketing strategy have a direct effect on business sustainability at CV. Putra Wijaya?
5. Does social media marketing strategy have a direct effect on MSME performance at CV. Putra Wijaya?



6. Can business sustainability mediate e-commerce adoption indirectly on MSME performance at CV. Putra Wijaya?
7. Can business sustainability mediate social media marketing strategy indirectly on MSME performance at CV. Putra Wijaya?

Research Purposes

This research aims to:

1. To find out the prediction that business sustainability has a direct influence on MSME performance at CV. Putra Wijaya.
2. To find out the prediction that e-commerce adoption has a direct influence on business sustainability at CV. Putra Wijaya.
3. To find out the prediction that e-commerce adoption has a direct effect on MSME performance at CV. Putra Wijaya.
4. To find out the predictions that social media marketing strategy has a direct influence on business sustainability at CV. Putra Wijaya.
5. To find out the prediction that social media marketing strategy has a direct influence on MSME performance at CV. Putra Wijaya.
6. To find out the prediction that business sustainability can mediating e-commerce adoption indirectly on MSME performance at CV. Putra Wijaya.
7. To find out the prediction that business sustainability can mediating social media marketing strategy indirectly on MSME performance at CV. Putra Wijaya.

Research Benefits

This research provides the following benefits:

Practical Benefits :

This can assist MSMEs in understanding how business sustainability will affect their performance projections when viewed from the perspectives of social media marketing and e-commerce adoption.

Theoretical Benefits :

This can be used as a source of information for more variable-related research, helping to expand one's understanding, expertise, and familiarity with applying theories about the variables influencing MSME performance and business sustainability.



LITERATURE REVIEW**E-commerce Adoption**

According to Rainer and Cegielski (2011), is the process of purchasing, selling, relocating, or placing goods, services, or information over computer networks and the Internet. E-commerce is defined as online sales (Huseini et al., 2009). The process of purchasing and selling goods and services via computer networks is known as e-commerce (Yappar and Yappar, 2015). E-commerce is the process of purchasing and selling goods and services through electronic data transmission over the Internet and websites, according to Grandona and Pearson (2004). E-commerce can serve as a low-cost source of market information, lessen reliance on agents and distributors, and help resolve issues that may arise in international trade (Wilson and Abel, 2002). MSMEs view e-commerce as a tool for competitive advantage (Johnston et al., 2007; Mehta and Shah, 2001). Online shopping contributes significantly to lower transaction costs and more effective management of MSMEs' internal business processes (Turner, 2000; Chan and Lee, 2003; Santarelli and D'Altri, 2003; Lohrke et al., 2006). That is the rationale behind business actors' adoption of e-commerce, according to the explanation given above (Gilmore et al., 2007). The act of purchasing, selling, transferring, or exchanging goods, services, and/or information through computer networks—primarily the Internet and intranet—is referred to as e-commerce adoption, according to Turban (2010). According to Abebe (2014) and Hussain et al. (2019), embracing e-commerce equates to enabling MSMEs to take actions that will enhance their overall performance. When implemented effectively, e-commerce adoption for product marketing in MSMEs can be utilized as a new business strategy development that affects marketing performance (Dahbi and Benmoussa 2019). According to Jalali and Soleimani (2014), MSMEs can improve their export performance by using e-commerce to help them position themselves outside of their home country and compete in the market. Chen and Zhang (2015) contend that if MSMEs can adopt e-commerce and use technology wisely, it can give them a sustained competitive advantage. The study of the adoption of e-commerce in small and medium-sized enterprises (SMEs) centres on the variables that impact decisions to adopt or not adopt (Riemenschneider et al., 2003, Grandon and Pearson, 2004, Matlay, 2004, Fomin et al., 2005, Wymer and Regan, 2005). There are 3 (three) dimensions to the adoption of e-commerce: the environmental perspective, the firm perspective, and technology perspective.



Social Media Marketing Strategy

According to A.M. Kaplan (2010), social media are internet-based programs that facilitate the production and sharing of user-generated content. They are based on the philosophical and technological underpinnings of Web 2.0. According to Parveen, Jaafar, and Ainin (2015), social media is used for several things, including branding, advertising, promotion, information search, and fostering relationships with clients. Businesses can grow through a variety of activities made possible by social media, such as global business operations, effective market transactions, customer loyalty and satisfaction, international network relationships, information sharing, communication management, partnerships, and supply chain logistics maintenance (M. del C. Alarcon, 2015; Y. Cao, 2018). The way individuals interact with their social media accounts and content—which encompasses a range of activities on all platforms—is measured by social media engagement (Eckstein, 2022). According to Chung and Cho (2017), interactions on social media have the character of self-disclosure, with targeting on social media generating pertinent interactions that act as triggers for disclosure (Bazarova and Choi, 2014). An online marketer's social media strategy is crucial since it can help companies in the digital age achieve better marketing outcomes. According to Dahnil et al. (2014), social media marketing is a new information management practice that complements traditional marketing. There are 4 (four) dimensions to a social media marketing strategy: a focus on customer communication channels, product awareness diversity presentations, proactive competitor learning ability, and orientation on timeliness of market responses (Badea, 2014).

Sustainability Bussiness

According to Handayani's (2007) assertion, business sustainability refers to the ability of a business to meet demands within its industry and preserve, develop, and safeguard its resources. Business expansion, growth, development, and strategies to ensure business continuity are all continuous processes that eventually lead to business sustainability and existence (Ligthelm, 2010). In other words, business sustainability is a type of consistency in managing business conditions. According to He and Ortiz (2021), sustainability business models assist MSMEs in integrating value propositions and adding value for customers, the environment, and society. A contribution is made by the sustainability business model, particularly in the manufacturing industry. Manufacturing companies can adjust and take advantage of the advantages of modern technology with the aid of sustainable business models (Feng et al., 2021). Businesses will create,

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distribute, and generate value as a result of the sustainability business model (Barth et al., 2021). To guarantee future product demand, business sustainability helps manage the use of natural resources (Pla-Julián & Guevara, 2019). From the foregoing explanation, it follows that SMEs need a sustainable business model because the majority of SMEs are going through a crisis as a result of the COVID-19-related economic downturn (Pramudyastuti et al., 2023). According to Lüdeke-Freund and Dembek (2017), there are 3 (three) dimensions to business sustainability: cash flow management, pivot plans, and ecological concern.

MSME Performance

According to Olabisi et al. (2013), performance is the act of successfully utilizing knowledge to accomplish a task as opposed to merely possessing it. Performance is defined as an entrepreneur's total operations and activities that make their business stronger (Girma, 2015). According to Kizgin (2020), MSMEs may experience greater success if they adopt a stakeholder perspective instead of a market-oriented one in order to better understand their performance. The country's overall economic growth, both domestically and globally, depends heavily on the performance of MSMEs (Sikander Ali Qalati et al., 2021). MSMEs are crucial to the economic growth of Indonesia, and the government works hard to support this growth and development by enacting laws and regulations (Saifurrahman & Kassim, 2023). The performance of MSMEs is significantly influenced by technology, organization, and environment (Sikandar Ali Qalati et al., 2021). After the pandemic, MSMEs are predicted to be the primary users of the Industrial Revolution 4.0 (Agarwal & Ojha, 2022). According to Wendy Ming-Yen and Dr. Siong-Choy (2007), 7 (seven) dimensions make up the performance of SMEs: individual traits, parental influence, business motivation and goals, business strategy, goals and motivations, networks, and entrepreneurial orientation.

Framework of Thinking

A research model, according to Misno et al. (2021), is a comprehensive depiction of the variables proposed and the hypotheses investigated in a study. The goal of the research model is to simplify the understanding of research. An overview of this research model is provided below:



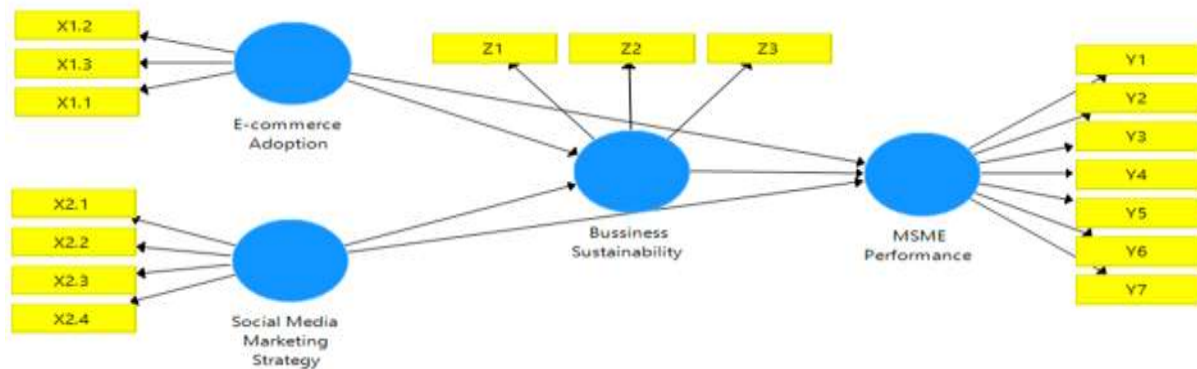


Figure 1. Research Framework

Hypothesis

Based on the description presented above, the following hypothesis can be formulated:

- H1 : It is suspected that business sustainability has a direct effect on MSME performance in CV. Putra Wijaya.
- H2 : It is suspected that e-commerce adoption has a direct effect on business sustainability in CV. Putra Wijaya..
- H3 : It is suspected that e-commerce adoption has a direct effect on MSME performance in CV. Putra Wijaya.
- H4 : It is suspected that social media marketing strategy has a direct effect on business sustainability in CV. Putra Wijaya.
- H5 : It is suspected that social media marketing strategy has a direct effect on MSME performance in CV. Putra Wijaya.
- H6 : It is suspected that business sustainability can mediating e-commerce adoption indirectly on MSME performance in CV. Putra Wijaya.
- H7 : It is suspected that business sustainability can mediating social media marketing strategy indirectly on MSME performance in CV. Putra Wijaya.

RESEARCH METHODOLOGY

Research Type

This study employs a quantitative methodology to forecast how e-commerce adoption and social media marketing strategy will affect MSME performance through business sustainability at CV. Putra Wijaya. When researching specific populations or

samples, a quantitative approach is employed, whereby data is gathered through the use of questionnaires as research instruments. This quantitative research approach made use of SEM PLS analysis. A regression-based method for determining relationships in path models with latent variables is SEM PLS analysis. Maximizing the endogenous construct's explained variance while preserving the model's interpretability is the aim (Shmueli et al., 2019). Smart PLS 3 is the analysis tool utilized in this study.

Population and Sample

The consumers who buy products under the Adia brand comprise both the population and the sample in this study. The Hair formula is used to determine the sample size in this study for a population whose precise size is unknown. Hair (2014) states that for every parameter being estimated, a minimum sample size of 5–10 observations should be used. Therefore, 170 respondents (10 x 17 indicators) were used as samples in this study. This also considers the findings of Hair et al. in Fernand (2002), who claimed that the SEM PLS analysis technique and a sample size of 100–200 samples is appropriate. The research employed a random sampling technique, with samples collected between February and March of 2024.

Data Types and Sources

Primary and secondary data sources are the ones that were used. Test questionnaires were distributed to gather primary data. The variables that measured e-commerce adoption and social media marketing strategy were classified as independent, MSME performance as dependent, and business sustainability as mediating. Books and journals serve as secondary data sources in the interim.

Data Collection Techniques

Researchers employed a Likert scale questionnaire with rating points ranging from 1 to 5 (removing point 3 for hesitant answers) to gather data from respondents.

Table 1. Operational Definition of Variables

Variable	Operational Definition	Indicator	Variable Type
E-commerce adoption (X1)	The process of using computer networks, primarily the internet and	1. Environment perspective 2. Firm perspective	Variable Independent



	intranet, to purchase, sell, transfer, or exchange goods, services, and/or information (Turban, 2010)	3. Technology perspective (Li & Xie, 2012).	
Social media marketing strategy (X2)	A crucial problem for an internet marketer who can help companies use social media in the digital age to enhance marketing outcomes (Dahnil et al., 2014).	1. Customer communication channel 2. Awareness of product diversity 3. Proactive competitor learning ability 4. Orientation on timeliness of market response. (Badea, 2014).	Variable Independent
Bussiness Sustainability (Z)	A type of consistency in managing a business environment, where sustainability is a continuous process comprising development, growth, strategies to keep the business going, and business expansion, all of which eventually lead to the existence and sustainability of the business (Ligthelm, 2010).	1. Cash flow management 2. Pivot plan 3. Ecological concern (Lüdeke-Freund & Dembek, 2017).	Variable Mediation
MSME performance (Y)	The overall operations and activities of MSME business actors that help them grow their company (Girma, 2015)	1. Individual characteristics 2. Parental influence 3. Business motivation and goals	Variable Dependent

		4. Business strategy 5. Goals and motives 6. Network 7. Orientation entrepreneurship (Wendy Ming-Yen & Dr. SiongChoy, 2007).	
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Source: Data Processing Results, 2024

The table above shows the specifics of each variable, including the type of variable and supporting indicators.

RESULTS AND DISCUSSION

Results

A total of 170 consumer respondents from CV. Putra Wijaya provided data for this research which can be seen in table 2 below:

Table 2. Measurement Results Model

Item	Loading	Cronbach Alpha	Composite Reliability	Average Variance Extracted
X1.1	0,927	0,860	0,934	0,877
X1.3	0,946			
X2.1	0,977	0,954	0,978	0,956
X2.4	0,978			
Z1	0,881	0,840	0,903	0,757
Z2	0,871			
Z3	0,857			
Y3	0,752	0,724	0,825	0,547
Y4	0,545			
Y6	0,755			
Y7	0,855			

Source: Data Processing Results, 2024



To assess the model measurements, the loading scale's reliability needs to be greater than 0.708. However, loading factor values greater than 0.5 are still permitted in some circumstances, particularly when the research model's construction is intricate or there are a limited number of indicators (Hair et al., 2014). If the loading scale value is more than 0.5, then all of the question items for each of the aforementioned variables can be regarded as legitimate.

Looking at the loading indicators, where the necessary value is > 0.708 , is necessary to calculate the Cronbach Alpha value with reflective measurements to measure reliability tests. This is further supported by the composite reliability value > 0.708 .

AVE, or Average Variance Extracted, needs to be greater than 0.50. This demonstrates that a construct that accounts for at least 50% of the item variance can be used to determine good validity (Hair et al., 2019). Since all supporting variables are near 50%, as the above table demonstrates, each variable's AVE value has an average Nilai Variance Extracted minimum of 0.5.

Table 3. Structural Model Evaluation

Hypothesis	Variance Explained (R2)	R2 adjusted	Effect Size (f2)	VIF
Z ► Y			0,143	3,194
X1 ► Z	0,687	0,683	0,012	5,856
X1 ► Y	0,780	0,776	0,000	5,928
X2 ► Z			0,260	5,856
X2 ► Y			0,225	7,380

Source: Data Processing Results, 2024

Sampling power can be predicted using the R2 value (Rigdon, 2012). On a scale of 0 to 1, a higher R2 value denotes greater strength. R square values of 0.75, 0.50, and 0.25 for Hair et al. (2019) indicate substantive (high), moderate, and weak influence, respectively. Based on the value in the above table, the five hypotheses have a moderate Adjusted R2 value of 0.683, and one hypothesis has a strong Adjusted R2 value of 0.776.

When comparing the size of the path coefficient and the f2 effect size, for instance, the f2 effect size is meant to consider partial or complete mediation (Nitzl et al., 2016). Generally speaking, values larger than 0.02, 0.15, and 0.35 denote small, medium, and



large f^2 effect sizes, respectively. The f^2 values with medium and small sizes were obtained for the five hypotheses based on the above table.

To perform multicollinearity testing, use the VIF or Collinearity Statistics value. According to the convention, a VIF of less than three is suitable (Becker et al. 2015). The VIF value ought to be approximately three, or as low as feasible. The five hypotheses above have multicollinearity, as evidenced by the results, which have Collinearity Statistics or VIF value > 3 .

Table 4. Hypothesis Testing Results (Direct Influence)

Hypothesis	B	T Value	Confidence Interval (95%)	P-Values	Discussion
H1 = Z ► Y	0,317	3,310	[0,118;0,485]	0,001	Supported
H2 = X1 ► Z	0,149	1,323	[-0,017;0,409]	0,186	Reject
H3 = X1 ► Y	-0,002	0,019	[-0,159;0,218]	0,985	Reject
H4 = X2 ► Z	0,691	5,889	[0,420;0,867]	0,000	Supported
H5 = X2 ► Y	0,605	4,720	[0,341;0,813]	0,000	Supported

Source: Data Processing Results, 2024

According to the above table, there is a direct and positive relationship between the business sustainability variable and the MSME performance variable at CV. Putra Wijaya, with P values of $0.001 < 0.05$.

There is a no direct and positive relationship between the e-commerce adoption variable and the business sustainability variable at CV. Putra Wijaya, with P values of $0,186 > 0,05$.

There is a no direct and negative relationship between the e-commerce adoption variable and the MSME performance variable at CV. Putra Wijaya, with P values of $0,985 > 0,05$.

There is direct and positive relationship between the social media marketing strategy variable and the business sustainability variable at CV. Putra Wijaya, with P values of $0,000 < 0,05$.

There is direct and positive relationship between the social media marketing strategy variable and the MSME performance variable at CV. Putra Wijaya, with P values of $0,000 < 0,05$.



Table 5. Hypothesis Testing Results (Indirect Influence)

Hypothesis	B	T Value	Confidence Interval (95%)	P-Values	Discussion
H6= X1 ► Z ► Y	0,047	1,365	[-0,006;0,133]	0,173	Reject
H7= X2 ► Z ► Y	0,219	2,684	[0,066;0,376]	0,008	Supported

Source: Data Processing Results, 2024

The business sustainability variable cannot mediate the e-commerce adoption variable influence indirectly and positively on the variable MSME performance at CV. Putra Wijaya with P values of $0.173 > 0.05$.

The business sustainability variable can mediate the social media marketing strategy variable influence indirectly and positively on the variable MSME performance at CV. Putra Wijaya with P values of $0.008 < 0.05$.

DISCUSSION

There is a direct and positive relationship between the business sustainability variable and the MSME performance variable at CV. Putra Wijaya, with P values of $0.001 < 0.05$. This is consistent with the findings of Aslam et al. (2023), who show that the performance of SMEs is significantly impacted by sustainability in innovation-oriented HR practices. Because SMEs can help provide long-term business sustainability, SMEs develop and revise their businesses so that they can develop by the sustainable business model (Pramudyastuti et al., 2023). The manufacturing industry is one area where the sustainability business model is particularly beneficial. Manufacturing companies can adjust and take advantage of the advantages of modern technology with the aid of sustainable business models (Feng et al., 2021). The correlation between East Javan SMEs' market performance and business sustainability indicates that small-scale retail sustainability is good (Utami & Bernadus, 2015).

There is a no direct and positive relationship between the e-commerce adoption variable and the business sustainability variable at CV. Putra Wijaya, with P values of $0.186 > 0.05$. This is due to the rarity of large-scale product orders placed through e-commerce. Large-scale orders happen when official agencies place product orders based on their needs. This practice has been ongoing for several years, and the agency and the customer have an order contract in place for the upcoming few years. Contrary to what several researchers believe, e-commerce is widely adopted by MSMEs as a means of



enhancing their long-term sustainability through improved economic and environmental performance (Yacob et al., 2021). Chen and Zhang (2015) contend that if MSMEs can adopt e-commerce and use technology wisely, it can give them a sustained competitive advantage. It's thought that e-commerce plays a big role in determining how well MSMEs perform financially and how long they can survive during a pandemic (Gao et al., 2023). Consumer participation in e-commerce is influenced by e-commerce adoption in 3 (three) ways: security, privacy concerns during online transactions, and trust in the dependability of online vendors (Wei et al. 2010).

There is a no direct and negative relationship between the e-commerce adoption variable and the MSME performance variable at CV. Putra Wijaya, with P values of $0,985 > 0,05$. This is because its business performance has not been significantly impacted by e-commerce. Formal agency relationships are essential for marketing; e-commerce cannot boost this company's turnover. This contrasts with e-commerce adoption, which improves marketing performance (Sugandini et al., 2021). Adoption of e-commerce when done correctly, selling to SMEs can help you create new business strategies that will improve your marketing results (Dahbi and Benmoussa 2019). SME marketing performance is impacted by the acceptance and application of e-commerce as e-marketing (Qashou and Saleh 2018).

There is direct and positive relationship between the social media marketing strategy variable and the business sustainability variable at CV. Putra Wijaya, with P values of $0,000 < 0,05$. In developed nations, social media adoption is now standard practice for businesses, and in developing nations, it is still increasing (F. Medjani, 2019). Businesses can engage in a variety of activities thanks to social media, such as global business operations, effective market transactions, customer loyalty and satisfaction, global network connections (M. del C. Alarcon, 2015), information sharing, communication management, partnerships, and supply chain logistics maintenance (Y. Cao, 2018).

There is direct and positive relationship between the social media marketing strategy variable and the MSME performance variable at CV. Putra Wijaya, with P values of $0,000 < 0,05$. Social media marketing initiatives Customer satisfaction commitment is increased by marketing initiatives on social media platforms (Lacey et al., 2007). Better marketing operations or higher customer satisfaction are necessary for each social media marketing strategy dimension to influence marketing performance as a mediator variable (Chanthinok et al., 2015). Web 2.0, or social media, is thought to be crucial for both large enterprises and SMEs in developing nations to boost productivity (A. Daowd, 2020).



Social media is being used by other developing nations, like Malaysia, the United Arab Emirates, and India, to enhance their global business performance (S. Chatterjee, 2020; S.S. Abedin, 2020; A.R. Abu Bakar, 2019).

The business sustainability variable cannot mediate the e-commerce adoption variable influence indirectly and positively on the variable MSME performance at CV. Putra Wijaya with P values of $0.173 > 0.05$. This is a result of owned commerce's subpar performance improvement in business. Large orders that are used as event mementos currently originate from official agencies. Since consumers can access e-commerce platforms almost anywhere and at any time, SMEs can provide more efficient and convenient service to their current clientele (Johnston and Wright, 2004; Beck et al., 2005). Promoting entry into new markets or growth into current ones is made feasible by e-commerce (Garicano, 2001). Increased system integration between suppliers and customers is another benefit of e-commerce (Wigand, 1995). E-commerce is seen as a way to interact with other business partners, leading to improved performance for the company (Hussain, 2020).

The business sustainability variable can mediate the social media marketing strategy variable influence indirectly and positively on the variable MSME performance at CV. Putra Wijaya with P values of $0,008 < 0,05$. According to Sikander Ali Qalati et al. (2021), social media adoption acts as a positive mediator in the relationship between technology, organization, environment, and performance of SMEs. Through likes, comments, shares, and mentions on social media, these interactions are crucial to establishing enduring customer relationships (Casalo et al., 2017; Wellington, 2022). Influencers' social media presence and interactions with their followers have the power to foster trust, which in turn can lead to credibility and better behavior intentions (Sokolova and Kefi, 2020). According to social and trust sources, when celebrities engage with their followers on social media regularly, their followers are more likely to trust them (Ridings et al., 2002).

CONCLUSION AND RECOMMENDATION

The study's findings indicate that the following relationships exist: the business sustainability variable positively and directly affects MSME performance; the e-commerce adoption variable does not positively and directly affect business sustainability; the e-commerce variable adoption does not directly and negatively affect MSME performance; the social media marketing strategy variable positively and directly affects business sustainability; the business sustainability variable cannot mediate the influence of the e-

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commerce adoption variable on MSME performance variables indirectly and positively; and the business sustainability variables can mediate the influence of social media marketing strategy on MSME performance variables at CV. Putra Wijaya.

Based on the aforementioned research findings, MSMEs ought to keep using e-commerce to boost their performance. Adoption of e-commerce can enhance not only MSME performance but also business sustainability. For other researchers, the best way to learn about the benefits and drawbacks of e-commerce adoption is to conduct additional research using SWOT analysis.

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