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Social Media Adoption and SMEs Business Performance: Examining Entrepreneurship Orientation and Government Support Policies in Central Java

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Abstract **-** The research analyzed the influence of social media adoption on SMEs' business performance by examining the mediating role of entrepreneurship orientation and the moderating role of government support policies. The utilization of technology in business, including the adoption of social media, was significant in enhancing business performance. Previous research has shown that the adoption of social media by SMEs is a common phenomenon. However, limited SMEs have experienced a positive impact on their business performance despite adopting social media into their business operations. The research subjects consisted of 134 SMEs in Central Java that have integrated social media into their business operations. The respondents were selected using convenience sampling, and the SEM PLS method was employed as the analytical tool. This research succeeded in providing answers to the research gap, where entrepreneurship orientation mediated partially the effect of social media adoption on SMEs' business performance. The result shows that government support policies do not moderate the effect of entrepreneurship orientation on business performance but have a direct positive effect on improving business performance. Theoretical and practical contributions are also made to the field of research concerning the interconnection of technology and marketing strategies.

Keywords: social media adoption, SMEs business performance, entrepreneurship orientation, government support policies

I. INTRODUCTION

Small and medium enterprises (SMEs) are one of the important pillars expected to give an optimal contribution to the recovery of the national economy (*Pemulihan Ekonomi Nasional-PEN*). In uncertain economic conditions and highly dynamic business environments, SMEs are required to optimally use social media as part of their business strategy (Dirgiatmo, Abdullah, & Ali, 2019). The East Ventures Digital Competitiveness Index (EV-DCI) survey in 2021 stated that only 12 million SMEs used social media, and this number increased by twice from the previous year. According to the 2022 EV-DCI report, SMEs in Java Island have the highest national digital adoption rate. This survey aims to assess the digital competitiveness of all Indonesian provinces by evaluating nine major indicator pillars. The pillars include the condition of human resources, the utilization and expenditure

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on technology in information and communication, the state of the economy, entrepreneurship and productivity, employment trends, infrastructure availability, financial resources, and the capacity of local government regulation (Ahdiat, 2022).

Those business phenomena can be seen within the framework of the Diffusion of Innovation Theory by Rogers (2003), which explains how technology is spread in a culture. In this theory, innovation adoption is measured as the number of individuals who adopt a new idea in a given period. Furthermore, the limited number of SMEs using social media indicates that the level of adoption, specifically in supporting business activities, is still low.

The adoption of social media within the framework of the theory also shows how marketing strategies have become an innovation adopted by SMEs. In this context, the key factors, including relative advantage, are important to understand how SMEs respond to marketing innovations, with forms of social media adoption for businesses. The adoption provides many benefits and this is proven in many research results.

Social media use has an impact on improving marketing performance (Alkhateeb & Abdalla, 2021; Dirgiatmo, Abdullah, & Ali, 2019; Macharia & Namusonge, 2021; Marolt & Zimmermann, 2022; Tajudeen, Jaafar, & Ainin, 2018; Tajvidi & Karami, 2017; Yasa, Adnyani, & Laksmita, 2020). Through social media, SMEs can communicate with consumers more effectively and efficiently and reach a wider target audience at relatively low marketing costs. Social media serves as a meaningful platform, enabling improved communication and relationship-building with consumers, suppliers, and business partners. It fosters the development of networks and nurtures trust, enhancing overall business relationships (Shih, 2009). However, several research have shown different results, where the adoption does not affect improving the performance of SMEs (Ahmad, Bakar, & Ahmad, 2018), and social media adoption has no direct effect on SMEs performance (Moy, Cahyadi, & Anggraeni, 2020).

Based on that research gap, the research aims to investigate the mediating role of entrepreneurship orientation and the moderating role of government support policies in the causal relationship between the adoption of social media and the business performance of SMEs. The inclusion of the variables is anticipated to explain the contradictions observed in the findings of previous research on this topic.

The justification for determining entrepreneurship orientation as a mediating variable is that the use of social media does not directly improve business performance. The use of social media can motivate entrepreneurs to be more courageous in exploring business opportunities, find innovative new ideas, teach entrepreneurs to be more creative and develop their marketing strategies (Ojeleye et al., 2018; Olanrewaju et al., 2018). Effective implementation of an entrepreneurial marketing strategy, driven by extensive utilization of social media, can also lead to a significant enhancement in the performance of SMEs (Rafiana, Sarma, & Najib, 2021).

The research examines the moderating role of government support policies on the causal relationship between entrepreneurship orientation and business performance. The support policies are various forms of support, which can strengthen the influence of entrepreneurship orientation on the business performance of SMEs (Zaato et al., 2020).

Social media adoption is one of the antecedents of business performance. The adoption provides sources of information, media communication facilities, and information sharing for its users, as well as collaboration with different parties in a wider scope, including the use of content, such as videos, photos, reviews, and others. Businesses can also carry out promotions by sharing content simultaneously with consumers and their partners, which can have an impact on improving performance (Soni et al., 2021).

Business performance also refers to the various benefits obtained from using social media. The use of social media can positively impact both financial performance such as increased sales volume, market share, and profits, and non-financial performance, such as good relationships with customers, increased brand visibility, and a better product image (Qalati et al., 2021)

The adoption of social media to support marketing activities, build long-term relationships, and explore information, can result in better performance of SMEs, indicated by reduced costs, closer relationships with customers, and better information access (Tajudeen, Jaafar, & Ainin, 2018; Vrontis, Chaudhuri, & Chatterjee, 2022). Social media is the infrastructure to build consumer awareness of SMEs as well as promote and strengthen brands more efficiently and cost-effectively. In addition, it enables co-creation between SMEs and customers, through feedback (Luthen & Lydiawati, 2022). The results also support research findings in Bali, where the use of social media improves business performance (Yasa, Adnyani, & Laksmita, 2020). The use of social media has increased business performance as indicated by the market share, sales process, sales volume, audience inquiries, number of customers, and total income of the company (Alkhateeb & Abdalla, 2021). Based on those research, the hypothesis can be formulated as:

H1 : Social media adoption has a positive effect on SMEs' business performance

Entrepreneurship orientation can be defined as the level of an entrepreneur's tendency to identify, explore and take advantage of various business opportunities, through proactiveness, risk-taking, innovativeness, competitiveness, and autonomy. Additionally, it can foster the development of innovative new products and services, and improve business (Fan et al., 2021; Tajudeen, Jaafar, & Ainin, 2018; Zaato et al., 2020). Based on the definition, there

are five dimensions in entrepreneurship orientation, namely proactiveness, calculated risk-taking, innovativeness, competitiveness, and autonomy. The last two dimensions, competitiveness and autonomy, are developments from the basic concept of entrepreneurship orientation.

Proactiveness can be defined as the ability to seek opportunities, with foresight as a form of initiative to introduce something new to anticipate potential consumer demands. This is related to speed and efforts to take a step ahead of competitors in creating a competitive advantage (Lumpkin & Dess, 2001). SMEs must adopt technology and be open to technology use and change to be proactive (Bature et al., 2018). Risk-taking in the context of entrepreneurship refers to the courage to take business opportunities and risks, accompanied by a commitment to allocate several resources with unpredictable results. However, innovativeness refers to efforts to develop new ideas to produce new products, services, and processes in current business activities. The variable can drive the creation of new market offerings, expansion, and achieving competitive advantage (Lumpkin & Dess, 2001).

Several research have examined entrepreneurship orientation, social media adoption, and its effect on company performance, which place entrepreneurship orientation as the antecedent of social media adoption (Tajudeen, Jaafar, & Ainin, 2018). The research takes a different approach, which places entrepreneurship orientation as a mediating variable on the influence between social media adoption and business performance.

The justification is based on some research that proves entrepreneurship orientation is influenced by social media adoption. Chatterjee, Dutta, and Upadhyay (2020) have proved that the adoption of information technology increased entrepreneurship orientation. Previous findings also show that innovativeness, proactiveness, and risk-taking as the dimensions of entrepreneurial orientation led to better performance (Fan et al., 2021; Kiyabo & Isaga, 2020; Wahyuni, 2020). The more diligently SMEs utilize social media, particularly for acquiring diverse knowledge relevant to their business, the greater the potential for increasing their confidence in discovering novel processes, and innovating approaches, or new product development. Employing social media as a marketing tool and fostering consumer relationships holds significant promise to gain profound insights into their characteristics of customers. This enables SMEs to proactively meet the needs and desires of their consumer base.

Based on these research, the hypothesis can be formulated as:

H2 : Social media adoption has a positive effect on entrepreneurship orientation

H3 : Entrepreneurship orientation has a positive effect on SMEs' business performance

Dirgiatmo, Abdullah, and Ali (2019) have analyzed the role of entrepreneurship orientation as mediating variable between social media adoption on financial and non-financial performance. The adoption of social media allows companies to be innovative in making products or providing services more attractive to consumers. Companies can also be encouraged to be more proactive and provide products that suit the needs of consumers. Innovativeness, risk-taking, and a proactive attitude can also impact the provision of better service quality, faster response to needs, and handling of consumer complaints. From the dimension of entrepreneurship orientation, only innovativeness mediates social media adoption and the performance of SMEs.

Based on this research, the hypothesis can be formulated as:

H4 : Entrepreneurship orientation mediates the effect of social media adoption on SMEs' business performance

The performance of a business is not only determined by internal factors, such as entrepreneurship orientation. However, it can also be influenced by external factors, which can strengthen or weaken business performance. Government support policies, specifically in the use of social media, can take the form of encouraging companies to adopt technologies, giving initiatives encouraging companies to adopt social media, and providing services toward the adoption (Sophonthummapharn, 2009). Research proves that government support policies can strengthen the effect of entrepreneurship orientation on business performance (Ibrahim, Keat, & Huda, 2016; Zaato et al., 2020). The greater the willingness to take risks and be proactive and innovative, the higher the potential of business performance. The potential for increased business performance will be greater with government support. The willingness of SMEs to explore, and take advantage of various opportunities can be maximized with the support of the government to obtain expected business performance.

Based on these research, the hypothesis can be formulated as:

H5 : Government support policies moderate the effect of entrepreneurship orientation on business performance

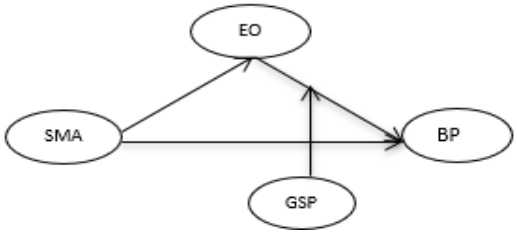

Figure 1 Research Framework

The hypothesis development can be described in Figure 1.

II. METHODS

The research applies a quantitative approach with a survey method. The size of the population is 1.457.126 SMEs in Central Java who have adopted social media. The minimum sample size is determined by considering the statistical power and effect size (Cohen, 1992). With a maximum number of arrows leading to the construct of 6, a significance level of 10%, and a minimum R2 of 0.10, the result shows that the required minimum sample size is 128 respondents. Considering the response rate of 95%, questionnaires are distributed to 134 SMEs. The research focuses on the region of Central Java because, even though Java Island ranked highest in digital adoption, only 30% used digital technology for their business (Dinkop UMKM Jateng, 2023).

Primary data are used and the data collection method employs a questionnaire, which is distributed online through the Google Form. The data collection period is from August to October 2022 using convenience sampling. This technique is selected based on the availability and ease of obtaining the sample.

SMEs owners are used as respondents because the majority of SMEs are led and managed by the owners. The owners carry out production and marketing activities to gain insights into their entrepreneurial orientation, the extent of social media adoption, the impact of government support, and the resulting business performance. The respondents are asked to express their opinions on the utilization of social media in their interactions with different stakeholders such as consumers, suppliers, resellers, and other parties. Additionally, they are queried about the level of entrepreneurial orientation, the effectiveness of government support policies, and their business performance.

The measurement for each variable is based on some previous research, including research from Qalati et al. (2021), Tajudeen, Jaafar, and Ainin (2018), Kiyabo and Isaga (2020), Sophonthummapharn (2009), Zaato et al. (2020), and Alkateeb and Abdala (2021).

Data screening is carried out to test the normality by using residual value observations. As an analytical tool, the Structural Equation Modeling Partial Least Square method is used and the software version is SmartPLS v. 3.2.9. Meanwhile, common method biases are handled by using the full-collinearity test suggested by Kock (2015).

III. RESULTS AND DISCUSSIONS

Table 1 shows that the majority of respondents are SMEs in the food and beverage sector. In marketing their products through online platforms, they still use one social media, which is WhatsApp. Furthermore, social media often used by the respondent are Facebook and Instagram.

Table 1 Respondent Characteristic

No	Characteristic	Frequency	%
1	Types of business		
	Food and beverage	58	43.28
	Fashion	32	23.88
	Craft	44	32.84
2	Number of social media used		
	1	78	58.20
	2	32	23.88
	3	21	15.67
	>3	3	2.25
3	Omzet/month		
	1 – 4 million	38	28.36
	4.1 – 7 million	42	31.34
	7,1 – 10 million	33	24.62
	>10 million	21	15.68
Total		134	100.00

PLS-SEM does not assume the data are normally distributed (Hair et al., 2022). A lack of normality in variable distributions can distort the results of multivariate analysis. There are eight outliers of 134 data eliminated from further analysis. After the elimination, the Excess Kurtosis and Skewness values are within -2 and +2 (Hair et al., 2022) indicating normal data. The normality test result can be seen in Table 2.

Table 2 Normality Test

	Excess Kurtosis	Skewness
SMA1	0.189	-0.930
SMA2	-0.709	-0.575
SMA3	-0.475	-0.476
EO1	0.466	-0.848
EO2	-0.587	-0.662
EO3	-0.711	-0.390
GSP1	-0.476	-0.685
GSP2	0.604	-0.721
GSP3	-0.212	-0.723
SBP1	-0.647	-0.310
SBP2	-0.730	-0.668
SBP3	-0.825	-0.465
SBP4	-0.230	-0.587

Full-collinearity test is used to handle the common method bias. Table 3 shows that all VIF values are below the 3.3 threshold as suggested by Kock (2015), and the model can be considered free of common method bias.

Table 3 Full-Collinearity Test

Variables	VIF
Social Media Adoption	1.296
Entrepreneurship Orientation	1.082
Government Support Policies	1.056
SME'S Business Performance	1.269

The evaluation of the measurement model (outer model) uses several criteria to assess how well the concept can be defined. Loading factor, Cronbach's alpha, and composite reliability are expected >0.70, while the AVE is expected >0.50 (Hair et al., 2022). Loading factor, Cronbach's alpha (α), composite reliability (CR), and AVE, are listed in Table 4.

Table 4 shows that all indicators have a loading factor ≥ 0.7 and 2 of the the constructs had Cronbach's alpha of less than 0.7. According to Ghozali (2016) and Chin and Morcoudiles (1998), alpha Cronbach 0.6 is still acceptable, where the CR and AVE values obtained meet the reliability criteria. It can be concluded that all the constructs measured have good convergent validity and reliability.

Table 5 shows the result of the discriminant validity test using the Heterotrait-Monotrait Ratio of Correlations (HTMT) method by Henseler, Ringle, & Sarstedt (2015). The use of HTMT is because Henseler, Ringle, and Sarstedt (2015) have stated that the Fornell-Larcker criterion is ineffective under certain conditions, indicating a potential weakness in the most commonly used discriminant validity criterion. The threshold value is 0.90 and 0.85 for conceptually similar and different constructs (Hair et al., 2022). The results of discriminant validity show that all constructs have HTMT less than 0.90, indicating that all constructs are unique and different from the other constructs.

The evaluation of the structural model (inner model) includes predictive relevance (Q^2) analysis and evaluation of the path coefficient and its significance. The blindfolding shows that the Q^2 for the Entrepreneurship Orientation is 0.141 and Q^2 for SMEs Business Performance variables is 0.400. Q^2 value > 0,

Table 4 Loading Factor, Cronbach's Alpha (α), Composite Reliability, AVE

Construct / Indicators	*Loading*	(α)	CR	AVE
Social Media Adoption (SMA)		0.683	0.825	0.612
SMA1	0.830			
SMA2	0.770			
SMA3	0.743			
Entrepreneurship Orientation (EO)		0.702	0.833	0.625
EO1	0.788			
EO2	0.806			
EO3	0.777			
Government Support Policies (GSP)		0.627	0.801	0.576
GSP1	0.700			
GSP2	0.862			
GSP3	0.704			
SMEs Business Performance (SBP)		0.893	0.926	0.757
SBP1	0.835			
SBP2	0.899			
SBP3	0.883			
SBP4	0.863			
EO*GSP	0.951	1.000	1.000	1.000

Table 5 Discriminant Validity

		(1)	(2)	(3)	(4)	(5)
(1)	EO*GSP					
(2)	EO	0.147				
(3)	GSP	0.087	0.880			
(4)	SBP	0.195	0.671	0.801		
(5)	SMA	0.275	0.690	0.896	0.875	

means that the model has predictive relevance value. R^2 for the Entrepreneurship Orientation and SMEs Business Performance variable is 0.242 (weak), and 0.557 (strong), respectively.

Model's predictive power suggested by Shmueli et al. (2019) are shown as follows. The predictive power of a model first indicated by the $Q^2_{predict}$ must be > 0 before checking the symmetrical distribution of the residual values from PLS-SEM. For a symmetrical distribution, RMSE is used and MAE is employed in contrast (Shmueli et al., 2019). The research uses RMSE because the excess kurtosis and skewness are between ± 2.

The PLS-SEM RMSE value should be compared with the LM RMSE. There are four interpretation of PLS predict. When PLS produced an RMSE value lower than LM for all indicators, then the model has high predictive power. When PLS produces an RMSE value lower than LM for the majority of indicators or the same number, then the model has medium predictive power. The model has low predictive power when PLS produced an RMSE lower than LM for the minority of indicators. When there are none of PLS RMSE indicators value that lower than LM for all indicators, then the model lacks predictive power (Hair et al., 2019; Shmueli et al., 2019).

Table 6 PLS Predict

Indicator	PLS-SEM RMSE	LM RMSE
EO1	**0.729**	0.738
EO3	0.534	0.507
EO2	0.623	0.604
SBP4	**0.534**	0.548
SBP1	**0.533**	0.534
SBP3	**0.586**	0.603
SBP2	**0.567**	0.571

Tables 6 shows there are 5 from 7 indicators that have PLS-SEM RMSE values lower than the LM RMSE. Based on Hair et al. (2019) and Shmueli et al. (2019), it can be concluded that the model has medium predictive power.

The hypothesis is examined through bootstrapping 10.000 re-sample, percentile bootstrap, one-tailed, and 0.05 significance level (Kock, 2015) The proposed hypothesis is accepted when the p-value ≤ 0.05 and the results of testing are shown in Table 7.

To provide a basis for prioritizing managerial actions to improve SMS's Business Performance of SMEs, Importance-Performance Map Analysis (IPMA) is conducted. Based on the IPMA results, it can be seen which constructs have relatively high importance to the target construct but have relatively low performance. Thus, it can be identified which constructs are priorities for improvement (Hair et al., 2022). The result as shown in Figure 2.

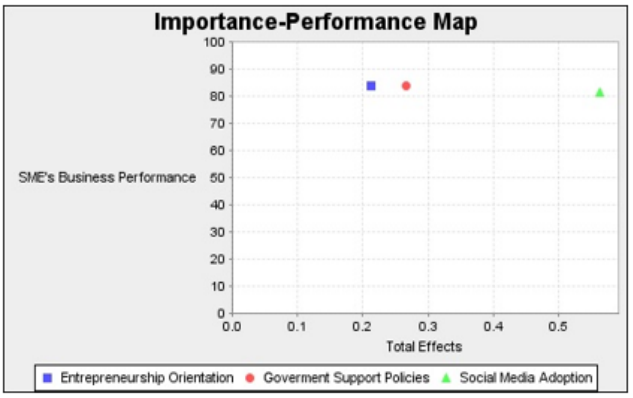

Figure 2 IPMA Map

From the Importance Performance Map in the Figure 2, social media adoption is a construct considered important and has high performance. The Government Support Policies and Entrepreneurship Orientation constructs have a relatively low level of importance but high performance. Therefore, social media adoption in SMEs is the first priority that should be enhanced to increase their business performance.

The results of the research prove that social media adoption has a positive effect on business

Table 7 Hypothesis Testing of Direct Effect, Mediating Effect, and Moderating Effect

	Hypothesis	(β)	*t-Statistic*	*p-values*	stdev	f2
H1	Social Media Adoption → SMEs Business Performance	0.458	4.513	0.000	0.102	0.290
H2	Social Media Adoption → Entrepreneurship Orientation	0.492	6.993	0.000	0.070	0.319
H3	Entrepreneurship Orientation → SMEs Business Performance	0.181	2.318	0.010	0.078	0.045
H4	Social Media Adoption → Entrepreneurship Orientation → SMEs Business Performance	0.089	1.960	0.025	0.045	
H5	EO*GSP → SMEs Business Performance	(0.048)	0.762	0.223	0.063	
	Government Support Policies → SMEs Business Performance	0.226	2.352	0.009	0.096	

performance for SMEs in Central Java. Marketing activities are supported to provide product and service information offered to consumers. With social media, offers can be packaged more attractively, through product photos, short videos, or other content. The adoption has proven to increase consumer awareness of products, wider market reach, and increased preference for products, which can then increase sales volume.

Social media adoption is also used to carry out customer relationship activities. This interactive characteristic permits the conduction of various activities in building relationships with their consumers. The activities carried out are quite simple, such as offering products while asking the opinions of customers about the products offered and suggestions on what to be improved. The performance of business, including customer relations and service activities, information accessibility, and reduction of customer service costs, is significantly affected by the adoption of social media (Candra & Susanto, 2020; Halbusi et al., 2022; Luthen & Lydiawati, 2022; Samat et al., 2020; Suganda, Asmala, & Prihadi, 2022).

The adoption of social media can also support information accessibility for consumers. With social media, a variety of information can be accessed from various sources used to add knowledge, insight, and even new ideas in developing products and services.

The research proves that the greater the social media adoption, the higher the entrepreneurship orientation of SMEs. Social media widely used in Central Java include WhatsApp, Instagram, Facebook, and Tik Tok. Furthermore, the adoption of social media can increase proactiveness, innovativeness, and risk-taking. From the observation results, SMEs try to make efforts to reach their target consumers and are also more risk-averse to taking a different marketing approach. Innovativeness increases with new ideas obtained through access to social media. Businesses are encouraged to adopt new ways of production, approaches to marketing, and service to consumers.

Entrepreneurship orientation has a positive effect on the business performance of SMEs. Meanwhile, proactiveness, risk-taking, and innovativeness lead to improved business performance. Marketing performance has increased due to their willingness to provide better products and services, adopt new marketing approaches, and actively understand the needs, wants, and preferences of customers. The increase in business performance is shown by the increasing number of consumers, market share, and sales of products. By adopting digital technology, SMEs can find customers, design and offer products through digital platforms, determine new opportunities for collaboration and business partners, study markets to build competitive advantage, expand marketing and distribution networks, as well as applying for capital and digital payments (Arianto, 2020). This is also consistent with previous findings that entrepreneurship orientation can significantly improve performance (Herlinawati, Ahman, & Machmud, 2019; Zaato, Ismail, & Uthamaputhran, 2022).

The results prove that entrepreneurship orientation partially mediates the influence of social media adoption on business performance. Therefore, there is a direct and indirect influence of social media adoption on business performance, through entrepreneurship orientation. Closer relationships can be obtained with consumers to better understand their characteristics, needs, and wants through social media. This understanding makes them more proactive in fulfilling the want and needs of customers. By using social media, SMEs obtain several insights into strategies, techniques, and developments in market offerings. Therefore, they are more courageous in taking risks and increasing innovativeness in providing better products and services to improve business performance.

Government support policies do not strengthen the impact of entrepreneurship orientation on business performance. An interesting finding from the research is that the variables have a direct effect on business performance. According to respondents, the support provided in efforts to digitalize SMEs is extraordinary. The government provides assistance in the form of infrastructure and various forms of training to use different types of digital media. Furthermore, the assistance and support directly improve the business performance of SMEs. The results are under the findings of previous research where performance can significantly increase with support from the government (Feranita, Nugraha, & Sukoco, 2019; Nassr & Siddiqui, 2022).

IV. CONCLUSIONS

In conclusion, the research is conducted to provide answers to the research gap. The results prove that entrepreneurship orientation can mediate the effect of social media adoption on SMEs business performance, partially. Another interesting finding is that government support policies provided by the Indonesian government do not moderate the effect of entrepreneurship orientation on business performance, but directly affect business performance.

Concerning the theoretical contribution, social media adoption has direct and indirect effects on improving business performance, mediated by entrepreneurship orientation. The findings also prove that the adoption could be an antecedent of entrepreneurship orientation, leading to increased business performance.

In the context of the adoption of social media, several factors affect the improvement of business performance through the adoption of social media, including perceived benefits, ease of use, compatibility, complexity, and social influence. By understanding and following the principles described in the diffusion of innovation theory, businesses increase their chances of success in leveraging social media to improve performance.

Based on the results of IPMA, SMEs are encouraged to use social media optimally in marketing their products and improving performance. This includes using WhatsApp and adapting the selected platform to the characteristics of the target market. Additionally, the number of social media platforms are utilized with the ability of SMEs to use and take advantage of the various features provided by each platform needed continuous improvement. By having the ability to take advantage of these features, the content created became more diverse and interesting, potentially increasing buying interest from consumers.

Assistance and support from the government and related parties should be continuously provided, bearing in mind that there are many obstacles faced in digitalization due to limited capacity and resources. Therefore, the government provides training and assistance for SMEs to optimally use social media. The training and assistance encompasses a wide range of aspects, including instructive sessions on crafting informative and captivating content, developing Instagram ads, Google ads, and various other advertising techniques to promote products.

There are several limitations including: (1) items measuring social media adoption and entrepreneurship orientation variables are the dimensions of the constructs, not specifically using indicators that reflected each dimension, (2) items measuring business performance variables using subjective measurement to cause biased data, (3) there are potential issues in discriminant validity, which has HTMT value close to 0,9, (4) The research uses convenience sampling, which is limited to a population that is conveniently accessible, so it may not be able to represent the population at large. The findings in the research can only be generalized to the place where the sample is taken, not generally applicable.

Based on some of these limitations, further research is to measure the construct dimensions of social media adoption, entrepreneurship orientation, and government support policies with adequate reflective indicators. Analysis is also conducted with the second-order construct and further research should use objective measurement to measure business performance. Related to the limitation of sampling method, it is recommended that further research uses probability sampling, to increase the generalization of research results.

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APPENDIX

Appendix 1 Measurement of Model Variables

Variables	Indicators
Social Media Adoption (SMA)	Social media adoption for marketing activity
(the use of social media by SMEs to support business activities)	Social media adoption for customer relationship activity
	Social media adoption for support information accessibility (Qalati et al., 2021), (Tajudeen et al., 2018)
Entrepreneurship Orientation (EO)	Pro-activeness
(the level of risk-taking, proactiveness, and innovativeness of SMEs to take advantage of business)	Risk Taking
	Innovativeness (Kiyabo & Isaga, 2020)
Government Support Policies (GSP)	The government gives policies encouraging companies to adopt social media technologies
(policies, initiatives, and services provided by the Indonesian government to SMEs	The government gives initiatives encouraging companies to adopt social media technologies
	Governmental agencies providing services toward social media adoption (Sophonthummapharn, 2009; Zaato et al., 2020) (Alkateeb & Abdala, 2021)
Business Performance (BP)	Increase in the company's market share
(results obtained by SMEs from the use of social media for their business)	Increase in the sales volume
	Increase in the number of customers
	Increase in total income (Alkhateeb & Abdalla, 2021)