



The Effect of Entrepreneurial Orientation on Social Media Adoption and Business Performance Moderated by Innovation Capability in Healthy Food SMEs in DKI Jakarta

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Abstract: Social media has facilitated many people on following healthy lifestyle trend. Consequently, those involved in the food industry should be able to see this as an opportunity to improve performances. This research was conducted on healthy food businesses in DKI Jakarta with the aim of looking at the effect of entrepreneurial orientation, social media adoption, and the ability to innovate on the performance of MSMEs with the adoption of social media as a mediating variable and innovation ability as a moderating variable. This study used a quantitative method with a total of 162 respondents who collected questionnaires and used Smart-PLS 3.3 to test the data. The result of the study shows that entrepreneurial orientation and social media adoption have a significant effect on the performance of MSMEs. Entrepreneurial orientation has a significant influence on the performance of MSMEs which is mediated by the adoption of social media. Entrepreneurial orientation has a significant influence on social media adoption. The ability of innovation does not have a significant effect on the performance of SMEs. Adoption of social media does not have a significant effect on the performance of MSMEs, which is moderated by the ability to innovate.

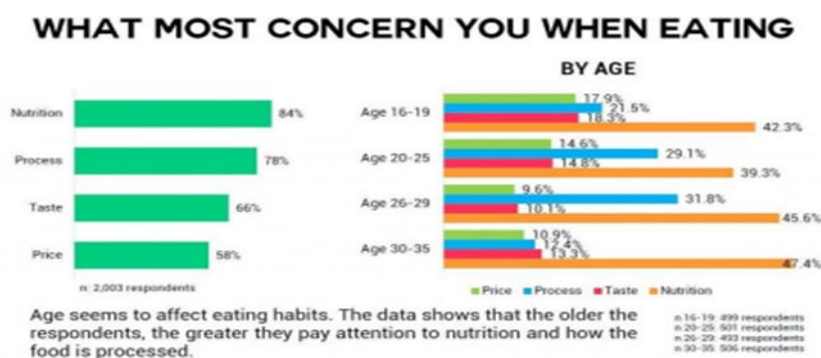
Keywords: Entrepreneurial Orientation, Social Media Adoption, Innovation Capability, Business Performance

INTRODUCTION

In the current era of globalization, competition is becoming increasingly fierce, so businesses must have various strategies in order to continue to exist in the industries they pursue. (Hakim, 2006; Santoso, 2019). The most important weapon for gaining a competitive advantage is called strategy. A company's long-term goals are reflected in its strategy, which also includes how these resources will be used and allocated to achieve those goals. (Porter, 2001; Santoso, 2019). The company's strategy must be in line with its market share so that competitors cannot take the company's market share. For this reason, companies must implement a good strategy in order to achieve their main goals. The strategy used by the company must be appropriate in order to improve the company's business performance.

In Indonesia, it is not only large businesses that experience tough competition; the same is true for micro, small, and medium enterprises (SMEs). The contribution of SMEs to Indonesia's GDP and economic growth is highly considered and supported by local policies and governments. Nowadays, the SMEs sectors that are highly interesting to be discussed and studied are culinary fields with its tremendous number of businesses and innovative and convenient ways of marketing and selling with the help of technological advancement. The advancement of technology makes culinary business owners easy to start, run and implement their businesses.

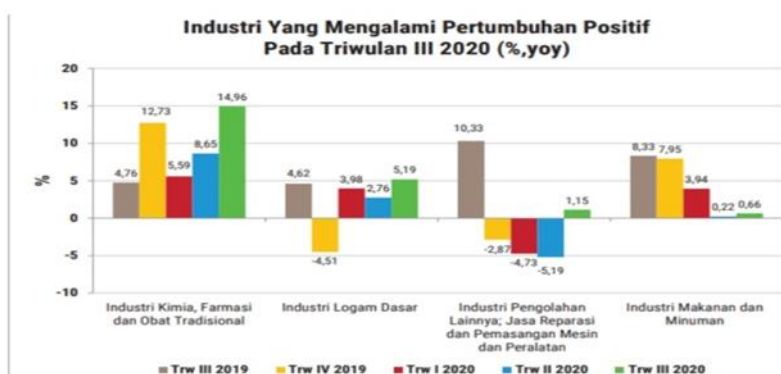
In Indonesia, there are lots of ready-to-eat foods, which is considerably unhealthy. Fast food contains very high calories and high sugar, fat (especially cholesterol), and salt. As a result, many people are beginning to pay attention on their health by adopting a healthy lifestyle, which includes eating healthy foods with a balanced nutrition, maintaining regular eating patterns, getting enough rest, beginning to exercise, drinking plenty of water, getting enough vitamins, quitting smoking, and maintaining a healthy environment.



Picture 1. What Most Concern You When Eating

From the graph above, it can be seen that consumers highly prioritize nutrition than process, taste, and price when choosing food and drinks. In terms of age, 42.3% of consumers aged 16–19 years are concerned about nutrition, followed by 39.3% of those aged 20–25 years, 45.6% of those aged 26–29 years, and 47.4% of those aged 30–35 years. This demonstrates that millennial consumers are becoming more concerned with nutrition and the nutrition of the foods they consume.

The food business has great opportunities with Jakarta people’s continuous increase in per capita expenditure which has significant incremental in the last three years. For this reason, every business owner in the culinary field needs the right strategy for his business.



Picture 2. Industries Experiencing Positive Growth In Quarter III 2020

Based on the graph above, it can be seen that the food industry in the first quarter to the third quarter experienced positive growth of 3.94%, 0.22%, and 0.66%. This shows that the food industry still has opportunities in this globalization era that changes people's consumption habits and patterns. This is a challenge for SME businesspeople because, in today's all-digital era, it makes people feel reluctant to leave their homes and choose to order only from their respective gadgets. Food businesses need to adapt and find the right new strategies so as not to be left behind by competitors, such as selling frozen food, issuing new menus, or utilizing technology by using social media or e-commerce.

There are many factors that affect the business performance of a company or organization. One of them is the entrepreneurial orientation. According to the RBV theory (resource-based view), entrepreneurial orientation is an intangible resource that is considered the main source of competitive advantage to improve company's performance. From the perspective of RBV (resource-based view), entrepreneurial orientation is a distinct organizational capability or intangible resource that is valuable in identifying, analyzing, and implementing new opportunities in a way that cannot be easily replaced or imitated (Barney J. Fan et al., 2021). This is in line with the research conducted by Waris Ali Khan et al. (2020), in which it was stated that entrepreneurial orientation is very important in improving the performance of SMEs. Then, in their research, Fan et al. (2021) said that to support the performance of SMEs, entrepreneurial orientation is an important element that accelerates the process of adopting organizational social media. However, this is slightly different from the research conducted by Huda et al. (2020), in which it was stated that entrepreneurial orientation does not directly affect the business performance of SMEs in Banjarmasin. This proves that entrepreneurial orientation is not able to improve business performance in SMEs in Banjarmasin.

In the digital era of today, the use of technology can make it easier for SMEs. It is important for SMEs to take advantage of new technologies such as social media so that they become more competitive and can meet the needs of potential customers (Al Mamun A, et al., 2018). The continuous advancement of internet technology has an important role in business performance, and the use of social media is very significant in developing countries. It is important for SMEs to take advantage of new technologies such as social media so that they become more competitive and can meet the needs of potential customers (Al Mamun A, et al., 2018). The continuous advancement of internet technology has an important role in business performance, and the use of social media is very significant in developing countries. However, it is slightly different from the research conducted by Ahmad S. Z., et al. (Fan et al., 2021), which says that there is no significant relationship between social media adoption and the business performance of SMEs in the UAE (United Arab Emirates).

Not only entrepreneurial orientation and social media adoption affect business performance, but innovation can also affect business performance. Due to the large number of existing competitors, SME business actors need to implement a competitive strategy, namely innovation. The ability to innovate is a means to achieve goals (improving MSME performance); it is usually important for SMEs to focus on innovation because it can facilitate the company's capabilities needed to respond competitively in order to achieve a sustainable competitive advantage (Give RM, 1996; Fan et al., 2021). The results of this study are in line with research conducted by Fan et al. (2021), in which it was stated that the ability to innovate affects company performance. This proves that the ability to innovate is able to generate new ideas related to products or services, processes, and marketing activities that can improve company performance. However, it is slightly different from the research conducted by Susdiani (2020). His research shows that innovation has no effect on the performance of the internal business processes of MSMEs. But his research also shows that innovation has an influence on the learning performance and growth of SMEs.

LITERATURE REVIEW

Resources Based View Theory

According to Barney (1991) in Waris Ali Khan (2020), the Resources-Based View (RBV) theory suggests that a company's unique resources generate competitive advantages that lead to company performance and sustainability in the industry. In addition, RBV emphasizes the company's competitive resources, especially its unique resources, because they are very important for growth. The RBV consists of tangible and intangible capabilities.

Entrepreneurial Orientation

Entrepreneurial orientation is the behavior of a business actor in managing his business. Entrepreneurial orientation is also a strategy for companies to be able to compete more effectively in the same market (Huda et al., 2020). From a resources-based view (RBV) perspective, entrepreneurial orientation is a distinct organizational capability or intangible resource that is valuable in identifying, analyzing, and executing new opportunities in a way that cannot be easily replaced or imitated (Barney J., 1991; Mingyue Fan et al., 2021).

Social Media Adoption

Business-focused use of social media increases brand exposure and awareness, creates and maintains consumer relationships through interaction and extensive sharing of user-generated content, increases interconnectivity, and fosters online engagement that generates sales and revenue. Thus, the adoption of social media does require a well-developed, systematic analytical framework to guide strategic actions and decisions throughout the company (Friska Mastarida, 2022).

Innovation Capabilities

Innovation capabilities is an organization's ability to adopt or implement new ideas, processes, and products (Hurley & Hult, 1998; Abdul Malik Sain, 2019). Then, according to Agyapong et al. (2018), innovation capability can be defined as a company's ability to use new methods, processes, products, and services quickly in responding to changes in the business environment, thereby gaining a competitive advantage.

Business Performance

Business performance is the company's ability to adapt to the business environment and develop good strategies that complement management capabilities to create harmony between the environment and the company's internals (Zainudin & Sugiono, 2016 in Bamfo & Kraa, 2019).

Entrepreneurial and Firm Performance

Mingyue Fan et al. (2021) said in their research that entrepreneurial orientation has a significant effect on business performance with a p-value of 0.00. The results of the study show that the two concepts are relevant, supporting the idea that entrepreneurial orientation is very important in improving the performance of SMEs. According to Nurhidayah Layoo and Wahyudin Rahman's (2019) research, entrepreneurial orientation had a positive and significant effect on the performance of SMEs in Banggai Regency. This shows that to improve company performance, SMEs participants in Banggai Regency must be able to maintain and improve their entrepreneurial orientation, including innovation, a positive attitude, the courage to take risks, independence, and competitiveness.

H1: Entrepreneurial orientation has a significant influence on firm performance.

Entrepreneurial Orientation and Social Media Adoption

Mingyue Fan et al. (2021) said in their research that to support the performance of SMEs, entrepreneurial orientation is an important element that accelerates the social media adoption process. In his research, he also found that entrepreneurial orientation has a significant influence on the adoption of social media, with a p-value of 0.007. This is possible due to the fear of losing to competitors, which makes SMEs in developing countries such as Pakistan act in an entrepreneurial manner regarding the adoption of social media. Given the increasing use of social media (the paradigm shift and the shift of customers from offline to online), entrepreneurial orientation plays an important role in social media adoption.

H2: Entrepreneurial orientation has a significant influence on social media adoption.

Social Media Adoption and Firm Performance

Mutiara et al. (2021) said in their research that the adoption of social media has a significant effect on the performance of SMEs. SME business people feel that after using social media, their business performance has increased. This is in line with research conducted by Fan et al. (2021) in his research, which said that the adoption of social media has a significant effect on business performance. This is made possible because of the fear of losing to competitors. Then, in his research, he also said that the adoption of social media has a positive effect on business performance, which shows that SMEs in developing countries benefit from investing in social media.

H3: Social media adoption has a significant influence on the firm performance.

Innovation Capability and Firm Performance

Mingyue Fan et al. (2021) said in their research that the ability to innovate has a significant influence on business performance. This shows that the ability to innovate generates new ideas related to products or services, processes, and marketing activities that improve company performance. This means that companies will be more proactive about changing trends and will always come up with new and innovative ideas for products and services. This is in line with research conducted by Singh S.K. (2019), in which it was stated that the ability to innovate has a significant effect on company performance.

H4: Innovation capabilities has a significant influence on firm performance

Mediating Role of Social Media Adoption

In their research, Mingyue Fan et al. (2021) proved that social media adoption partially mediates the relationship between entrepreneurial orientation and business performance with a result of $p = 0.001$. This is in line with research conducted by Sahaym A. et al. (2019) said in their research that social media can be used to generate innovative ideas, which lead to greater creative performance and effectiveness. Then this is also in line with Qalati SA, et al. (2021), and Dakhan SA, et al. (2021) in their research proving the mediating role of social media adoption in MSMEs in developing countries.

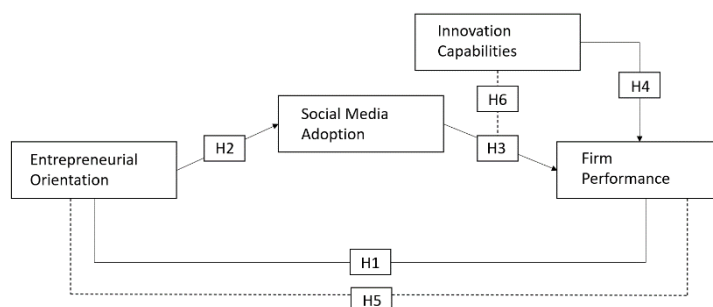
H5: Entrepreneurial orientation has a significant influence on firm performance, which is mediated by the social media adoption.

Moderating Role of Innovation Capabilities

Mingyue Fan et al. (2021) said in their research that the ability to innovate moderates the relationship between social media adoption and business performance. His research proves that if SMEs have low innovation capabilities social media adoption will have little effect on their performance, and vice versa. In short, the effect of social media adoption on firm performance is greater when SMEs have innovation capabilities.

H6: Social media adoption has a significant influence on firm performance, which is moderated by innovation capabilities.

Research Paradigm



Picture 3. Research Paradigm

This research paradigm can explain the influence of entrepreneurial orientation variables on social media adoption and business performance, the effect of innovation ability on business performance, the effect of entrepreneurial orientation on business performance mediated by social media adoption, and finally the effect of social media adoption on business performance based on the underlying theories that are the reference and have been explained in the previous sub-chapter.

RESEARCH METHODS

Data Collection Method

a. Types of Research

The type of research used in this thesis is causal-comparative quantitative. Causal-comparative research is a research that seeks to find out causal relationships. In this causal-comparative research attempt identify causal relationships, and in complex variable relationships, distinguish between independent variables and dependent variables (Paramita et al., 2021).

b. Data Collection Technique

Primary data is original data collected by researchers to specifically answer their research problems. The type of data used is answers from questionnaires that have been distributed to healthy food SMEs in DKI Jakarta.

Population and Sample

a. Population

The population in this study is all Indonesian people, especially those in DKI Jakarta who have healthy food businesses.

b. Sample

In this study, non-probability sampling was used because the population was unknown and purposeful sampling was used as a technique to determine the sample. The required respondent criteria are healthy food businesses, be they snacks, heavy meals, drinks, or snacks, that are domiciled in DKI Jakarta.

The sampling method in this study uses the theory put forward by Hair et al. (2018), in which the sample size is calculated from the number of indicators in the variable multiplied by 5 to 10. In this study, the number of indicators is 32 multiplied by 5 to 160 respondents who own a healthy food business in Jakarta.

Measures

In this study, we used a Likert scale to measure attitudes, opinions, perceptions, or other social phenomena (Slamet Ryanto, 2020). The Likert scale uses five level categories; each level is given a level from one to five, namely:

- 1) Strongly disagree
- 2) Disagree
- 3) Neutral
- 4) Agree
- 5) Strongly agree

FINDING AND DISCUSSION

In this study, we used SmartPLS 3.3 to manage and analyze data. Partial least squares is one of the SEM (Structural Equation Modeling) statistical techniques that can test both measurement and structural models as well as the basis of variance.

Descriptive Information

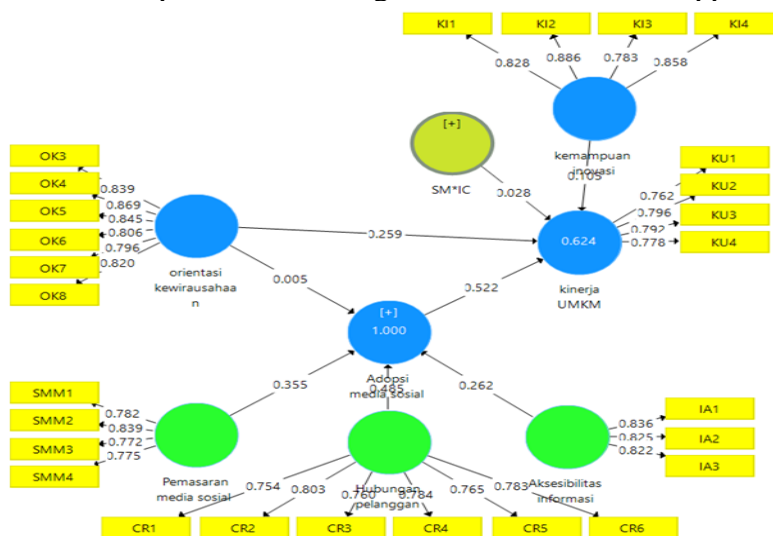
Out of 162 respondents, 92 were female, and the remaining 43,2% were male. Nearly 64% were aged between 17 and 30 years, followed by 31-40 is 34%. Regarding education, 67,9% had a bachelor’s degree, followed by undergraduate with nearly 20%. The most of participants were managers 78,4%, followed by owner 21,6%. Regarding company size, 60 had 1 to 5 employees.

Assessment of the measurement model

This research used reflective-formative approach for SM adoption construct. Therefore, we have assessed the proposed model using the first-order and second-order. Assessing the measurement model using individual item reliability (factor loadings) and validity (convergent and discriminant). Table 4 shows the constructs, item code, and descriptive statistics.

Assessment of the structural model.

In order to detect the importance of the effect of exogenous variables on endogenous variables, Hair et al. (2017) advocate utilizing the bootstrapping process (the number of recommended bootstrapping samples is up to 5000). A p-value with an alpha value of 5%, or 0.05, is the measurement used to determine significance (Hair et al., 2019). The bootstrapping test method was used to do path factor testing on the Smart PLS 3.3 application.



Picture 4. Convergent validity Test

The picture above shows that the outer loading value is above 0,7. All the data used in this study is valid.

Table 1. Measurement Model

Construct	Item Code	Outer Loading	CA	CR	AVE
Entrepreneurial Orientation	OK3	0,839	0,909	0,930	0,688
	OK4	0,869			
	OK5	0,845			
	OK6	0,806			
	OK7	0,796			
	OK8	0,82			
Social Media Adoption			0,921	0,932	0,513
Social Media Marketing	SMM1	0,782			0,628
	SMM2	0,839			
	SMM3	0,772			
	SMM4	0,775			
Customer relationship	CR1	0,754			0,601
	CR2	0,803			
	CR3	0,76			
	CR4	0,784			
	CR5	0,765			
	CR6	0,783			
Information Accesibility	IA1	0,836			0,685
	IA2	0,825			
	IA3	0,822			
Innovation capability	KI1	0,828	0,860	0,905	0,705
	KI2	0,886			
	KI3	0,783			
	KI4	0,858			
Firm Performance	KU1	0,762	0,788	0,863	0,612
	KU2	0,796			
	KU3	0,792			
	KU4	0,778			

It can be seen from the table above that the outer loading value of all indicators is more than 0.7 and the AVE value is more than 0.5, which means that the indicator is valid and can be maintained.

Table 2. Measurement Model for Second Order

	Social Media Adoption	VIF
Social Media Marketing	0,902	2,741
Customer Relationship	0,934	2,875
Information Accesibility	0,852	2,91

Test the validity of the second-order formative social media adoption variable using the correlation value test and the collinearity test. The correlation values possessed by the social adoption dimension variables are all greater than 0.8, which means that the social media variables for marketing, customer relations, and information accessibility are quite good at reflecting the construct variables of social media adoption. The inner VIF value of all variables is less than 5, which means there is no collinearity problem.

Table 3. Cross Loading

Indicator	OK	SMM	CR	IA	KI	KU
OK3	0,839	0,497	0,549	0,481	0,682	0,561
OK4	0,869	0,518	0,530	0,490	0,638	0,592

OK5	0,845	0,592	0,625	0,508	0,782	0,628
OK6	0,806	0,478	0,505	0,374	0,687	0,596
OK7	0,796	0,394	0,467	0,307	0,585	0,436
OK8	0,820	0,478	0,501	0,414	0,557	0,558
SMM1	0,537	0,782	0,556	0,535	0,433	0,674
SMM2	0,555	0,839	0,558	0,581	0,470	0,691
SMM3	0,395	0,772	0,537	0,514	0,411	0,497
SMM4	0,415	0,775	0,690	0,596	0,410	0,500
CR1	0,416	0,556	0,754	0,574	0,487	0,451
CR2	0,501	0,554	0,803	0,562	0,491	0,501
CR3	0,421	0,524	0,760	0,496	0,399	0,411
CR4	0,559	0,619	0,784	0,562	0,485	0,535
CR5	0,546	0,570	0,765	0,493	0,497	0,548
CR6	0,540	0,623	0,783	0,542	0,487	0,524
IA1	0,502	0,607	0,613	0,836	0,459	0,569
IA2	0,375	0,532	0,537	0,825	0,364	0,534
IA3	0,419	0,607	0,571	0,822	0,475	0,472
KI1	0,582	0,434	0,459	0,413	0,828	0,538
KI2	0,658	0,481	0,507	0,499	0,886	0,565
KI3	0,630	0,409	0,498	0,361	0,783	0,435
KI4	0,797	0,495	0,595	0,474	0,858	0,560
KU1	0,543	0,617	0,432	0,490	0,488	0,762
KU2	0,536	0,612	0,569	0,512	0,524	0,796
KU3	0,554	0,525	0,457	0,496	0,491	0,792
KU4	0,507	0,572	0,538	0,488	0,464	0,778

From table 3, it can be seen that the value of each indicator in cross-loading is greater than the other indicators; for example, the OK3 indicator in the entrepreneurial orientation variable is 0.839, which is greater than the other variables.

Table 3. Construct Item and Descriptive Statistics

Construct	Item Code	Items	N	Mean	
Entrepreneurial Orientation	OK3	We dare to take risks	162	3,932	
	OK4	In our business, many people are willing to take risks	162	3,827	
	OK5	In the last five years, we offer new products to the market	162	3,531	
	OK6	We intend to enter the market before our competitors	162	3,969	
	OK7	We are usually ahead of competitors in introducing new products or procedures	162	3,957	
	OK8	In our business, people want to be first in the market	162	3,981	
	Social Media Adoption	SMM1	Social media helps in conducting market research	162	4,407
		SMM2	Social media helps to get referrals (word of mouth via likes, shares and followers)	162	4,438
SMM3		Social media helps in advertising and promoting products	162	4,519	
SMM4		Social media helps in providing consumer services	162	4,432	
Customer Relationship	CR1	Social media helps in building relationships with customers	162	4,352	
	CR2	Social media as a communication tool with customers	162	4,506	
	CR3	Social media as a tool to carry out customer service activities	162	4,389	
	CR4	Social media as a tool to receive reviews from customers regarding existing products	162	4,444	

	CR5	Social media as a tool to receive reviews from customers regarding new products that have not been released	162	4,031
	CR6	Social media helps in attracting new customers	162	4,543
Information Accesibility	IA1	Social media helps in finding general information	162	4,469
	IA2	Social media helps in finding information about competitors	162	4,321
	IA3	Social media helps in finding information about customers	162	4,309
Innovation Capabilities	KI1	Have an idea for a new product	162	4,179
	KI2	We consistently have research and development funds to innovate	162	4,117
	KI3	Our business is usually a pioneer in the market	162	3,883
	KI4	Our business is able to introduce new products every 5 years because it always allocates funds for research and development	162	3,451
Firm performance	KU1	Improve relationships with customers	162	4,395
	KU2	The quality of our service is good	162	4,438
	KU3	We always involve the customer	162	4,086
	KU4	Brand visibility and reputation increases	162	4,420

Table 4. Coefficient Determination R-Square

Construct	R-Square
Media Social Adoption	1,00
Firm performance	0,624

It can be seen from Table 4 that the social media adoption variable has an R-Square value of 1.00, which has a strong influence because it is influenced by 4 variables: social media for marketing, customer relations, information accessibility, and entrepreneurial orientation, all of which are at 100%. Then for the MSME performance variable, it has a value of 0.624, which has a moderate effect because it is influenced by 3 variables, namely entrepreneurial orientation, social media adoption, and innovation capabilities, by 62.4% and the rest is influenced by other variables.

Table 5. Path Coefficient

Hypothesis	Original Sample	Sample Mean	Standard Deviation	T Statistic	P Values
Entrepreneurial Orientation -> Firm Performance	0,259	0,251	0,100	2,596	0,005
Entrepreneurial orientation -> Social Media Adoption	0,005	0,006	0,003	1,831	0,034
Social Media Adoption -> Firm Performance	0,522	0,498	0,131	3,988	0,000
Innovation Capabilities -> Firm Performance	0,105	0,137	0,121	0,872	0,192
Indirect effect					
Entrepreneurial Orientation -> Social Media Adoption -> Firm Performance	0,003	0,003	0,001	2,077	0,019
Moderation effect					
Social Media Adoption*Innovation Capabilities -> Firm Performance	0,028	0,063	0,120	0,230	0,409

Based on the results of testing the data above, several things can be concluded, namely:
 a. Entrepreneurial orientation has a significant influence on firm performance with a p-value 0.005.

To support the performance of SMEs, entrepreneurial orientation is an important element in the organization. According to the theory of resources-based view (RBV), entrepreneurial orientation is an intangible resource that is considered the main source of competitive advantage to improve company performance. The results of this study are consistent with

those of Mingyue Fan et al. (2021) and Sahoo S. et al. (2017), who studied SMEs in developing countries and argued that entrepreneurial orientation is a significant factor for company performance.

- b. Entrepreneurial orientation has a significant influence on social media adoption with a p-value 0.034.

This shows that entrepreneurial orientation is an important factor for social media adoption in business. This happens because SMEs in developing countries such as Indonesia act entrepreneurially with respect to social media adoption because they are worried that they will be left behind by competitors. This is significant with Mingyue Fan et al. (2021), who said that entrepreneurial orientation is a significant factor for the adoption of social media within organizations due to a paradigm shift from shopping in person to shopping online.

- c. Social media adoption has a significant influence on firm performance with p-value 0.000.

This shows that the use of social media is a significant factor in SMEs performance because it can reach customers as a marketing medium as well as conduct market research. In addition, SMEs who use social media can improve their business performance because, by using social media in today's all-digital era, they can market their products more easily, maintain relationships with customers, facilitate market research, and reach new customers. This finding is consistent with Mingyue Fan et al. (2021), who said that the adoption of social media has a strong effect on the performance of SMEs. Social media can reduce marketing costs, increase access to information, and improve customer relationships.

- d. Innovation capabilities does not have an insignificant effect on firm performance with p-value 0.192.

This shows that the ability to innovate has no influence on the performance of SMEs. SMEs are unable to allocate funds for research and development. In the absence of funds for research and development, healthy food SMEs are unable to introduce new products on a regular basis. This is in line with Susdiani's research (2020), which says that there is no influence on the ability of innovation to affect the performance of SMEs because the business capital owned by SMEs is limited.

- e. Entrepreneurial orientation on firm performance which is mediated by the adoption of social media has a significant effect with p-value 0,019.

Adoption of social media can help SMEs find creative ideas that lead to greater creative performance and effectiveness. This finding is in line with Mingyue Fan et al. (2021) and Qalati SA et al. (2021), who prove the mediating role of social media adoption for SMEs in developing countries.

- f. Innovation Capabilities is unable to moderate the impact of social media adoption on the firm performance with p-value 0,409

In this study, it is shown that the adoption of social media has no influence on the performance of SMEs, which is moderated by their innovation capabilities. This shows that companies can still adopt social media quickly without having to be proactive about innovation. Social Media Adoption can help businesses improve the performance of SMEs. This is significant with research conducted by Hintama A et al. (2021), which in its findings emphasized that innovation capabilities does not moderate the relationship between research and development performance and product innovation performance. The findings in this study not only show that innovation capabilities has no effect on business performance but also that innovation capabilities does not moderate the relationship between social media adoption and business performance.

CONCLUSION AND RECOMMENDATION

Conclusion

This study examines the effect of entrepreneurial orientation, social media adoption, and innovation capabilities on firm performance. In addition, this study also examines social media adoption as a mediating variable and innovation capabilities as a moderating variable. From the testing and processing of the data that has been analyzed previously, the conclusions of this study are:

1. Entrepreneurial orientation has a significant influence on firm performance. This shows that the entrepreneurial orientation of SMEs actors can be an intangible resource in achieving competitive advantage.
2. Entrepreneurial orientation has a significant influence on social media adoption. This shows that entrepreneurial orientation is an important factor for the fast adoption of social media. Fear of being left behind by competitors drives SMEs to adopt social media more quickly.
3. Adoption of social media has a significant influence on firm performance. This suggests that social media use is a factor. Which is significant for SMEs performance because it can reach customers as a marketing medium as well as market research.
4. Innovation capabilities has no significant effect on firm performance. Limited funds can be the thing that makes SMEs actors unable to carry out research and development to produce new products on a regular basis.
5. Entrepreneurial orientation has a significant influence on firm performance, which is mediated by the social media adoption. This shows that social media adoption can help SMEs find creative ideas that lead to greater creative performance and effectiveness.
6. Social media adoption does not have a significant effect on firm performance, which is moderated by innovation capabilities. This shows that companies can still adopt social media quickly without having to be proactive about innovation. This rapid social media adoption can help entrepreneur improve SMEs performance.

Recommendation

Based on the results and conclusions that have been stated previously, the suggestions in this study are:

1. For entrepreneurs
This research is expected to be a reference for business actors in developing their businesses. both in terms of sales, performance, and relationships with customers. Healthy food SMEs needs to pay attention to competitors and consumers to improve business performance by implementing entrepreneurial orientation strategies and utilizing social media. Healthy food businesses need to use social media for market research and to receive suggestions from buyers so that their business can develop beyond just using social media as a promotional medium.
2. For further research
 - a. Expanding the scope of the study to include research into areas other than the healthy food industry and obtaining data from more sources.
 - b. Adding other variables in order to see the relationships other than the variables studied in this study.

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