

On Digital Literacy MSME Sustainability Through Social Media Engagement

Erdiansyah, Didik Susetyo and Ahmad Maulana

Department of Management Science, Faculty of Economics, Sriwijaya University

Palembang, South Sumatra 30128, Indonesia

erdiansyahhh@gmail.com, didiksusetyo@unsri.ac.id, maulana25@unsri.ac.id

Muchsin Saggaff Shihab

Department of Management Science, Lecturer at Bakrie University Jakarta

muchsin.shihab@bakrie.ac.id

Abstract

Study this study influence digital literacy towards sustainability of micro, Small and Medium Enterprises (MSMEs) through social media engagement. In the current digital era this is the ability of MSMEs in utilise digital technology is becoming crucial for sustainability business. This study use method survey towards 200 MSME players in Indonesia for analyze level digital literacy, social media use, and its impact to continuity business. The results show that influential digital literacy positive to MSME engagement on social media, which in turn impact significant impact on sustainability business. Implications study This emphasize importance enhancement digital literacy for MSME actors for optimizing use of social media in support continuity business in the digital era.

Keywords

literacy, MSMEs, Social media, Sustainability business, digital technology

1. Introduction

In the era of revolution industry 4.0, utilization digital technology is becoming must for perpetrator businesses, including micro, Small and Medium Enterprises (MSMEs). However, still many MSMEs do not own adequate digital literacy for optimizing potency technology in support his business. Study this motivated by its importance understanding about influence digital literacy towards sustainability of MSMEs, in particular through engagement on social media. A number of studies previous has study impact adoption digital technology against MSME performance (eg Tarutè et al 2018 Eller et al 2020). However, still limited research that is specific analyze role deep digital literacy influence sustainability of MSMEs through engagement on social media. This study aim For fill in gap the with focuses on the context of MSMEs in Indonesia.

1.1 Objectives

The main purpose study this is analyze level digital literacy of MSME players in Indonesia, reviewing influence digital literacy towards MSME involvement in social media, evaluating impact social media engagement to sustainability of MSMEs, formulating recommendation for increase digital literacy and use of social media for MSMEs.

2. Literature Review

Digital literacy defined as ability for access, manage, understand, integrate, communicate, evaluate, and create information in a way safe and correct through digital technology (Law et al 2018). For MSMEs, digital literacy becomes key in adopt and utilize technology for support business. .

Social media has become an important platform for MSMEs to promote product , interact with customers , and building network (Ainin et al 2015). However, effectiveness the use of social media is very dependent on the digital capabilities of the perpetrator business .

MSME sustainability is not only covers aspect economic, but also social and environmental (Choongo 2017). In the digital era, sustainability business the more related with ability adaptation to development technology.

A number of study previous has indicated exists connection positive between digital literacy, use of social media, and MSME performance (M. Durkin, P. McGowan, and N. McKeown 2013). However still required studies more carry on for analyze impact to continuity business in a way comprehensive.

3. Methods

Study This use approach quantitative with method survey. Population study is MSME actors in Indonesia, with sample as many as 200 respondents were selected use purposive sampling technique. Criteria sample includes MSMEs that have operated for at least 2 years and has social media accounts active.

Data is collected through online questionnaire that includes variable digital literacy, social media engagement, and sustainability business. Digital literacy is measured use adapted instruments from (Van Deursen et al 2016). Social media engagement be measured based on frequency and type activity on social media platforms. Continuity business be measured use indicators that include aspect economic, social and environmental.

Data analysis uses Structural Equation Modeling (SEM) for test connection between variable in accordance with the proposed research model.

4. Data Collection

Data collection was carried out during January-March 2024 period via Google Forms. Questionnaire spread through MSME associations and social media platforms. Of the 250 respondents who participated, 200 questionnaires declared valid and used for analysis more next. Profile respondents show diversity in matter sector effort, scale business, and location geographic. Majority respondents (65%) aged 25-45 years, with sufficient gender proportion balanced (53% men , 47% women).

5. Results and Discussion

5.1 Numerical Results

Analysis results descriptive show that level MSME players' digital literacy is sufficient varies, with an average score of 3.7 of scale 5. Engagement on social media also varies, with Facebook and Instagram being the most numerous platforms used.

SEM analysis produced a good model fit ($\chi^2/ df = 2.34$, CFI = 0.95, RMSEA = 0.062). Test result hypothesis presented in Table 1.

Table 1. Hypothesis Testing Results

Hypothesis	Path Coefficient	t value	Results
H1: Digital Literacy → Social Media Engagement	0.56	7.23*	Accepted
H2: Social Media Engagement → Business Sustainability	0.48	6.15*	Accepted
H3: Digital Literacy → Business Sustainability	0.32	4.78*	Accepted

*p < 0.01

Source : Author's processed data

5. 2 Graphical Results

Frame Work is presented in Figure 1.

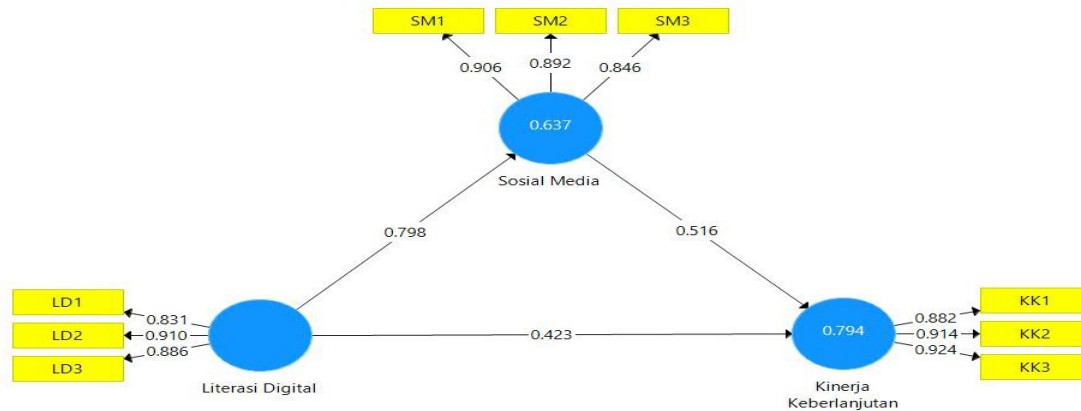


Figure 1. Frame Work, Source : Author's processed data

5.3 Proposed Improvements

Based on findings research, some recommendation for increase sustainability of MSMEs through digital literacy and social media engagement including: Development of training programs customized digital literacy with need specifically for MSMEs, Optimization use of social media through more content strategy planned and consistent, integration of social media analytics for taking decision more business OK, Collaboration between government, academics, and actors industry in support digital transformation of MSMEs.

5.4 Validation

For validate findings research, carried out triangulate data through interview deep with 10 selected MSME actors in a way purposive. Interview result confirm importance digital literacy and use of social media in support continuity effort, all at once give outlook addition about challenge implementation in the field.

6. Conclusion

Study this confirm exists influence positive digital literacy towards sustainability of MSMEs, good in a way direct nor through mediation social media engagement. Findings this emphasize importance effort enhancement digital literacy for MSME actors as step strategic in face challenges of the digital era.

Contribution main study This is on the development of an integrating model digital literacy, social media engagement, and MSME sustainability. This model can become framework reference for study furthermore as well as for holder interest in formulate MSME development policies and programs in the digital era.

Limitations study this lies in coverage limited geographic and use of cross-sectional data. Study furthermore expected can expand scope study and use longitudinal design for analyze impact period long digital literacy towards sustainability of MSMEs. (Rozak et al 2021)

References

- Ainin, S., Parveen, F., Moghavvemi, S., Jaafar, N.I., and Mohd Shuib, N.L., Factors influencing the use of social media by SMEs and its performance outcomes. *Industrial Management & Data Systems*, vol. 115 no. 3, pp 570-588, 2015.
- Choongo, P., A longitudinal study of the impact of corporate social responsibility on firm performance in SMEs in Zambia. *Sustainability*, 9(8), pp 13-19, 2016.
- Eller, R., Alford, P., Kallmünzer, A., and Peters, M., Antecedents, consequences, and challenges of small and medium-sized enterprise digitalization. *Journal of Business Research*, 112, pp 119-127, 2020.
- Law, N., Woo, D., de la Torre, J., and Wong, G., A global framework of reference on digital literacy skills for indicator 4.4. 2. UNESCO Institute for Statistics, 2018.
- M. Durkin, P. McGowan, and N. McKeown, "Exploring social media adoption in small to medium-sized enterprises in Ireland," *Journal of Small Business and Enterprise Development*, Article vol. 20, no. 4, pp. 716-734, 2013.

- Olanrewaju, AST, Hossain, M.A., Whiteside, N., and Mercieca, P., Social media and entrepreneurship research: A literature review. *International Journal of Information Management*, 50, pp 90-110, 2020.
- Smith, A. N., Testing the Value of Social Media for Small Businesses. *Contemporary Management Research*, Volume 9 (1). pp 73-84, 2013.
- Taiminen, H.M., and Karjaluo , H., The usage of digital marketing channels in SMEs. *Journal of Small Business and Enterprise Development*, 22(4), pp 633-651, 2015.
- Tarutė, A., Duobienė , J., Klovienė , L., Vitkauskaitė , E., and Varaniūtė , V., Identifying factors affecting digital transformation of SMEs. In *Proceedings of the 18th International Conference on Electronic Business* pp. 373-381, 2018.
- Van Deursen, A. J., Helsper, E. J., and Eynon, R. Development and validation of the Internet Skills Scale (ISS). *Information, Communication & Society*, 19(6), pp 804-823. 2016.
- Yildiz, T., and Aykanat, Z. The Mediating Role Of Organizational Innovation On The Impact Of Strategic Agility On Firm Performance. *World Journal of Entrepreneurship, Management and Sustainable Development*, Volume 17 (4). pp 765-786, 2021. <https://doi.org/10.1108/WJEMSD-06-2020-0070>.
- Zawislak, P. A., Alves, A., Tello-Gamarra, J., Barbieux, D., and Reichert, F., Innovation Capability: From Technology Development To Transaction Capability. *Journal of Technology Management and Innovation*, Volume 7 (2). pp 14-27, 2012.

Biographies

Erdiansyah is student doctorate in Science Management Sriwijaya University Faculty of Economics. At the moment work as lecturer at PGRI University Palembang (2003 - present). Background education obtained title undergraduate degree at Muhammadiyah University of Palembang, and postgraduate graduate degree from Sriwijaya University Major Management.

Didik Susetyo is is a professor at the Faculty of Economics, Sriwijaya University. Have done studied Bachelor of Management at Sriwijaya University, then continue studying Masters in Economics at Padjadjaran University, and a Doctorate in Science Padjadjaran University Management.

Muchsin Saggaff Shihab is a Masters and Science Lecturer Management Palembang University Faculty of Economics, Lecturer at Bakrie University Jakarta.

Ahmad Maulana Sriwijaya University Faculty of Economics . He obtain title Doctorate in the field Management with concentration management marketing and Master of Science in economics from Sriwijaya University, as well bachelor economics at Sriwijaya University.