

Government Support and Social Media Impact on the Performance and Sustainability of F&B's MSME in Indonesia

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ABSTRACT

This study explores how government support and social media impact the performance and sustainability of small food and beverage businesses in Indonesia. The food and beverage (F&B) industry is vital for the country's economy, with MSMEs playing a key role. Despite challenges, the government is promoting Industry 4.0 to enhance the industry's competitiveness. MSMEs make a significant contribution to the F&B sector but face barriers like limited resources and the impact of events like the COVID-19 pandemic. This research looks at how government support and social media, when combined, influence these businesses. Using surveys and statistical analysis, the study finds a positive connection between government support and MSME sustainability and performance. Social media also shows a positive impact on sustainability and performance. The findings suggest the government should increase funding and support eco-friendly practices. MSMEs are encouraged to use social media for effective marketing, branding, and cost-saving, contributing to their overall success and sustainability. The study highlights opportunities for further research and a comprehensive evaluation of Indonesia's MSME ecosystem.

Keywords:

Government Support, Social Media Impact, Performance, Sustainability, MSME of Food and Beverages

INTRODUCTION

According to CRIF in 2023, the food and beverage industry is significant to the country's economy and cultural identity, with a large population and increasing average incomes driving the demand for food and beverages. The Statistics of Indonesia (BPS) addressed the F&B industry increased by 4.90% on an annual basis in 2022 to IDR 813.062 billion, and it is still growing at a positive trend over the past years. Despite not growing as fast as it used to, the sector recorded no declining tendency in terms of GDP contribution. The industry is not competitive, and there are still a number of challenges that need to be faced, such as intense competition, fluctuations in raw material prices, complex government regulations, and infrastructure that still needs to be improved (Permana & Hariyanti, 2016). However, the Indonesian government has continued to drive the implementation of industry 4.0 concepts in the F&B industry to adapt to the fast-moving global supply-chain landscape. By the end of 2023, the Ministry of Industry intends to enable at least 80 F&B business owners to receive competency certificates to hasten the transition to Industry 4.0. By 2024, the Ministry plans to have 400 F&B players ready to self-evaluate the readiness of their businesses to be included in the Indonesia Industry 4.0 Readiness Index (INDI 4.0).

Micro, small, and medium enterprises (MSMEs) play a significant role in the food and beverage (F&B) industry in Indonesia. According to the Ministry of Industry, the F&B industry made the largest contribution of the non-oil and gas industry to the nation's gross domestic product (GDP) in 2019, and it grew by an average of 7.78% annually (Gupta, 2023). MSMEs are the backbone of the F&B industry, as they account for more than half of the workers in the food and beverage industry (Gupta,

2023). MSMEs have been argued to play a critical role in promoting the consumption of nutrient-dense foods by the poor (Nordhagen et al., 2021). MSMEs play a large role in different economies, making research on the factors affecting innovation and management in these enterprises relevant (Dambiski Gomes de Carvalho et al., 2021). MSMEs in the F&B industry can benefit from business model innovation (BMI) during crises, such as the COVID-19 pandemic. Different BMIs can help SMEs in this industry respond to crises and improve their performance (Bivona & Cruz, 2021). MSMEs in the F&B industry need survival strategies to continue their operations during crises, such as the COVID-19 pandemic. These strategies can help MSMEs achieve business success and contribute to economic growth and employment (Hetika et al., 2023). A significant evolution in the F&B sector has been the tendency for medium and large manufacturers to enter into agency agreements with foreign MSMEs (Marzouk, 2017).

Despite its large contribution to the country's economy, this sector also has several obstacles and challenges, especially in efforts to realize sustainable business and improve business performance. The barriers faced by F&B MSMEs in terms of performance and sustainability are complex and multifaceted (Zartha), and may include factors such as limited resources (Adams et al., 2023), lack of access to information (Rupeika-Apoga & Petrovska, 2022), resistance to change (Dar & Mishra, 2020), and external factors such as the COVID-19 pandemic (Nordhagen et al., 2021). Addressing these barriers requires a multi-faceted approach that includes improving access to information, providing training and support, creating incentives for SMEs to adopt new technologies, and promoting entrepreneurial orientation.

This article aims to determine the influence that occurs between government support and the impact of social media on the performance and sustainability of food and beverage MSMEs in Indonesia. Even though this topic has become a common discussion among MSME researchers throughout the world, however, the two variables raised in this research are variables that were previously studied separately. There are studies that separately investigate the impact of government support (Kurniawan et al., 2023)(Agarwal et al., 2023) and social media (Bruce et al., 2023)(Bruce et al., 2022) on MSMEs, there is a need for research that explores how these two factors work together to influence the performance and sustainability of MSMEs. Therefore, further research is required to understand the combined effect of government support and social media on MSMEs in food and beverages industry. Apart from providing results that clearly explain the influence of government support and the impact of social media on the performance and sustainability of MSME F&B businesses in Indonesia, this paper can also make a real contribution to practitioners in the field, such as providing insights to policymakers on the effectiveness of government support programs for F&B MSMEs and assisting F&B MSMEs in developing effective social media strategies for enhancing their sustainability.

Literature Review And Hypothesis Development

1. Definition and Importance of Government Support for MSMEs

Government support refers to the financial and non-financial assistance provided by the government to Micro, Small, and Medium Enterprises (MSMEs) to help them grow and sustain their businesses. Government support is crucial for the growth and sustainability of Micro, Small, and Medium Enterprises (MSMEs). According to OECD, The COVID-19 pandemic has had a significant impact on MSMEs globally, and government support has helped save many of them. Scholarly attention

has been focused on how government financial support (GFS) affects firm performance, but the results of these studies are inconclusive (Jayeola). Several studies have examined the relationship between government support and MSME performance. The study conducted by (Jayeola et al., 2022) aimed to answer the research question of whether CERPI and CA sequentially mediate the relationship between government financial support and financial performance. The study found that government financial support has a positive effect on financial performance, and this relationship is mediated by both CERPI and CA. Another study proposed two policy models, the first model includes MSME training, capital assistance, and incentives for MSME achievements, while the second model includes MSME training, capital assistance, and incentives for MSME achievements, as well as the establishment of a government agency to support MSMEs. The study found that government support has a positive effect on MSME performance (Ramadhona et al., n.d.). (Chin & Lim, 2018) explored the R&D promotion policy effects on SME performance measured by value-added productivity. The study found that government R&D subsidies have a positive effect on firm performance. Another study conducted by (Lee et al., 2010) found that government support may be limited and only able to reach a small number of MSMEs. However, the study also found that diagnostic and support services can moderate the relationship between government support and MSME performance. The impact of government support on the performance of MSMEs has been studied in various countries, including Ethiopia, Ghana, and South Africa. In Ethiopia, government support has been found to have a positive effect on the performance of micro and small enterprises (Endris & Kassegn, 2022). In Ghana, government and other institutions' support has been found to have a positive impact on the performance of small and medium enterprises in the agribusiness sector (Ogujiuba et al., 2022).

2. Role and Influence of Social Media in the F&B Industry

The growing significance of social media platforms in the F&B sector is a topic of interest among marketing and business scholars (Rahmawati et al., 2023). Social media marketing plays an important role for both new and existing companies in the F&B industry and it can be used as a marketing medium in the F&B industry, and several factors influence its usage, including the type of social media platform, the target audience, and the content of the message (Perumal et al., 2017). Social media also can influence consumer preferences for the marketing of food and beverages (Acar et al., 2021). In the social context, Social media can be used to seek and share information, for social interaction, and to be part of a social network (García-León & Teichert, 2023).

Several academic studies have explored the impact of social media on customer engagement, brand awareness, and sales for F&B MSMEs. A study conducted by (Yost, 2012) state that active social media engagement among followers of a food and beverage sales organization is positively correlated with sales. Social media marketing also has a positive influence on SMEs product purchasing decisions (Erlangga, 2021). Social media can be an effective tool for brand awareness, information platform gaining feedback, customer acquisition, and retention in the organic F&B industry (Mehrunishah et al., 2021).

3. Effects of Social Media on Business Performance and Sustainability

In relation to performance and sustainability, several previous studies have also been carried out. An explorative analysis conducted by (Russo et al., 2022) found a

statistically significant and positive relationship between social media profiles (i.e. Twitter) and companies' sustainability performance. The study also showed that social media use can effectively improve sustainable performance, leading to a competitive advantage. Another study explored the relationships between social media usage and innovation capabilities to improve sustainable SME performance. The study found that social media usage and innovation capabilities have a positive impact on sustainable SME performance (Borah et al., 2020). (Bruce et al., 2023) through their literature review confirmed that social media has a positive influence on business connectivity, which is a key aspect of business performance. The same results were also shown by research conducted by (Bruce et al., 2022)(Gelashvili et al., 2022) who found that social media integration can enhance SMEs' sustainability performance and the intensity of social media use has both positive impacts on economic sustainability.

4. Conceptual Framework

The theoretical framework for this study is designed to provide a structured and comprehensive understanding of the key factors that influence the performance and sustainability of Small and Medium-sized Enterprises (SMEs) operating in the Food and Beverage (F&B) sector in Indonesia. The Government Support Theory focuses on the role of government policies, regulations, and support mechanisms in promoting SME growth. It will explore how the Indonesian government supports F&B SMEs through initiatives such as subsidies, grants, and regulatory measures, and how these interventions impact business performance and sustainability. Figure 1 below shows the conceptual framework of this research.

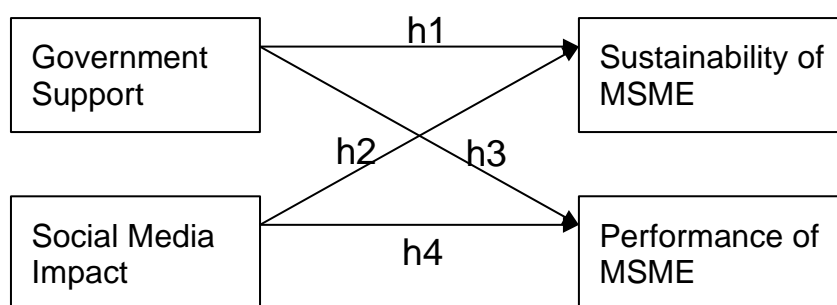


Figure 1. Conceptual Framework

METHOD

1. Design

To answer the objectives of this research, a quantitative approach was used. Quantitative approach is a suitable method for this study because it involves collecting numerical data that can be analyzed statistically to identify patterns and relationships between variables. Quantitative research is based on numerical data and statistical analysis, which reduces the potential for researcher bias and subjectivity. This is important when studying complex topics like the impact of government support and social media on F&B MSMEs in Indonesia. This approach allows for the collection of data from a large sample size, which increases the generalizability of the findings. This is important when studying a diverse population like F&B MSMEs in Indonesia. Quantitative research allows for the precise measurement of variables, which is important when studying the impact of government support and social media on F&B MSMEs in Indonesia. This will enable researchers to identify specific factors that contribute to the performance and sustainability of F&B MSMEs.

2. Data Collection Method

This study employs surveys with questionnaires comprising a five-level Likert scale to gather data from a substantial sample of Micro, Small, and Medium Enterprises (MSMEs) in the Food and Beverage sector in Indonesia. Its primary objective is to assess the influence of government assistance and social media on the performance and sustainability of these businesses. The collected data underwent rigorous statistical analysis to uncover connections between the variables and provide insights into the research question (Patma et al., 2021)(Aryani & Tuti, 2023). Surveys can provide quantitative data that can be analyzed statistically, which is useful for identifying patterns and trends in large datasets. Surveys also can be used to collect data on specific topics, such as government support and social media impact, which is useful for addressing the research questions of the study.

This study implemented questionnaires distributed online and offline to 300 food and beverage MSMEs in various regions in Indonesia such as Jakarta, West Java, Banten, East Java, Central Java, Yogyakarta, South Sumatra, Bali, West Kalimantan and Nusa Tenggara. Distribution of offline questionnaires was carried out to respondents who live on the island of Java. Meanwhile, in an effort to minimize wasted time and wasted costs, a survey of food and beverage MSMEs outside Java was conducted online. Distribution is carried out by utilizing various social media platforms such as WhatsApp, Facebook, Instagram, LinkedIn and Twitter.

Before the questionnaire is distributed, the questionnaire is first tested together with experts in this field who have criteria such as the expert being a doctor or master in the field of management and business, especially MSME issues, the expert has many publications related to MSMEs in Indonesia which are published in journals reputable ones like Scopus and WoS. Of the 20 questionnaire items tested, 4 items were not recommended for use on the grounds that they had similar meanings to the previous items. It is important to ensure that the items are well-constructed and have a clear meaning, and that the wording of each item is appropriate and understandable. Thus, it is important to ensure that the items are evenly distributed across the different dimensions of the construct being measured, and that there are no redundant or overlapping items.

Table 1 below shows the questionnaires used and distributed as research tools in collecting data with validity and reliability as indicated by the Cronbach Alpha (CA), Composite Reliability (CR), AVE and Factor Loading values. Reliability refers to the consistency and stability of a questionnaire over time and across different samples. Cronbach's alpha is a commonly used measure of reliability, with a value of 0.7 or higher indicating good reliability (Mya et al., 2021)(Gebremedhin et al., 2022). Convergent validity is the degree to which different items that are supposed to measure the same construct are correlated with each other. To establish convergent validity, the factor loading of the indicator, composite reliability (CR), and the AVE have to be considered (Ab Hamid et al., 2017). Average Variance Extracted (AVE) is a measure of the amount of variance in the items that is explained by the construct they are measuring. An AVE of 0.5 or higher is generally considered acceptable (Cheung et al., 2023). Factor loading is a measure of how strongly an item is associated with a particular factor. A factor loading of 0.7 or higher is generally considered acceptable (Cheung et al., 2023).

Table 1. Item Questionnaires and Their Validity and Reliability

Variabel	Item	Code	Loading Factor
Government Support	CA=0,901, CR=0,931, AVE=0,771 1. I have received an adequate amount of financial support from government programs. 2. I believe that participating in government programs has broadened my network and opportunities. 3. I am highly satisfied with the level of support I have received from the government. 4. I have consistently complied with various government regulations and requirements.	GS.1 GS.2 GS.3 GS.4	0,867 0,912 0,888 0,843
Social Media Impact	CA=0,900, CR=0,931, AVE=0,770 1. The number of followers on our social media platforms positively affects our brand's visibility and reach. 2. The number of likes, shares, and comments on our social media posts reflects the engagement of our audience. 3. Our level of engagement with customers on social media has a positive impact on our brand's reputation and customer relationships. 4. The number of sales generated through our social media efforts is a key performance indicator for our business.	SMI.1 SMI.2 SMI.3 SMI.4	0,862 0,902 0,897 0,848
Performance	CA=0,842, CR=0,894, AVE=0,678 1. The revenue generated by the company meets or exceeds my expectations. 2. The number of customers served by the company is satisfactory. 3. I believe that the level of customer satisfaction with the company is high. 4. The number of employees at the company is adequate for providing quality service.	P.1 P.2 P.3 P.4	0,870 0,817 0,795 0,810
Sustainability	CA=0,828, CR=0,886, AVE=0,662 1. The length of time [Company/Product/Service] has been in business suggests its commitment to sustainability. 2. The high number of repeat customers at Company indicates its sustainability and customer loyalty.	S.1 S.2	0,805 0,850

Variabel	Item	Code	Loading Factor
	3. Employees at the company are generally satisfied, which contributes to its overall sustainability.	S.3	0,850
	4. Company has actively implemented sustainable practices, such as recycling, energy efficiency, or waste reduction.	S.4	0,745

Source: Literature Review and Data Analysis Result, 2023

Apart from convergent validity (CR), discriminant validity is also used. Discriminant validity is the degree to which different items that are supposed to measure different constructs are not correlated with each other. The Fornell-Larcker criterion, cross-loading, and HTMT criterion are commonly used to assess discriminant validity (Ab Hamid et al., 2017). This study chose the HTMT ratio to measure discriminant validity. The Heterotrait-Monotrait ratio of correlations (HTMT) is a statistical technique used to assess discriminant validity in business management research (Nawanir et al., 2019)(Roemer et al., 2021). The acceptable level of discriminant validity is suggested to be less than 0.90 (Hair & Alamer, 2022).

Table 2. Discriminant Validity

	GS	SMI	P	S
GS	0,878			
SMI	0,642	0,824		
P	0,694	0,773	0,813	
S	0,467	0,561	0,648	0,878

Source: Data Analysis Result, 2023

3. Sampling Technique and Sample Size

This research applies non-probability techniques in sampling, namely the purposive sampling method. Purposive sampling is a technique used in research to select units that meet specific criteria or characteristics relevant to the research objectives. This technique is useful when the researcher wants to study a specific group of individuals or entities that share certain characteristics. For example, a researcher studying the impact of social media on MSMEs could use purposive sampling to select MSMEs that have a strong social media presence (Liswoyo & Soelaiman, 2023). Another example is selecting MSMEs that have received government support (Pradifera). Purposive sampling involves selecting sample members based on the researcher's sound judgment of what is a representative sample (Vicente, 2023). This technique is different from probability sampling, where sample members are selected randomly from a larger population. Purposive sampling is useful when the population of interest is small or difficult to define, and when the researcher wants to ensure that the sample is representative of the population (Andrade, 2021).

Several criteria that were taken into consideration and limitations in the sampling carried out by the researchers were as follows:

1. MSMEs are businesses operating in the food and beverage sector.
2. MSMEs operate and market their products in Indonesia

3. MSMEs actively use various social media platforms to support their business operations.
4. MSMEs have at least received government assistance (either one or more) such as tax incentives, training, grants and technical guidance.

Of the 200 questionnaires distributed, 186 questionnaires were returned and based on various considerations such as completeness of filling and variations in filling, 183 questionnaires were accepted and continued to the next analysis stage. Thus, 183 is also the number of samples in this study. This figure is appropriate and meets the sample criteria suggested by (Sarstedt et al., 2022), namely that the appropriate minimum sample is 6-10 times the number of indicators. There are 16 indicators for each variable in this research, which means the minimum sample that must be used is 160.

4. Data Analysis Techniques

Data that has been collected through online and offline surveys with questionnaires will then enter the data analysis stage. This research chose a data analysis method using Partial Least Squares combined with Structural Equation Modeling (PLS-SEM). Partial Least Squares Structural Equation Modeling (PLS-SEM) is a quantitative methodology that can be used to test theoretical models. PLS-SEM enables researchers to estimate complex models with many constructs and indicator variables (Hult et al., 2018). PLS-SEM is a powerful quantitative method that can handle complex models (Hult et al., 2018)), non-normal data, and small sample sizes (Fauzi, 2022).

The statistical analysis tool used is SmartPLS version 3. This software is a suitable tool for this research because it allows for the analysis of complex relationships between multiple variables (Dewi et al., 2022). Referring to the official Smartpls website, this application is recommended when the analysis is concerned with testing a theoretical framework from a prediction perspective which this research uses. In general, there are two components in SEM analysis, especially with Smart PLS, namely the inner model and the outer model. The outer model and inner model are two different components used in structural equation modeling (SEM) to assess relationships between latent variables (Kante et al., 2018). The inner model is used to assess the relationship between two latent variables, whether they are exogenous or endogenous (Jannah & Hazriyanto, 2019). The goodness-of-fit of the model is evaluated using the communality for the outer model and the average R-square for the inner model (Garson).

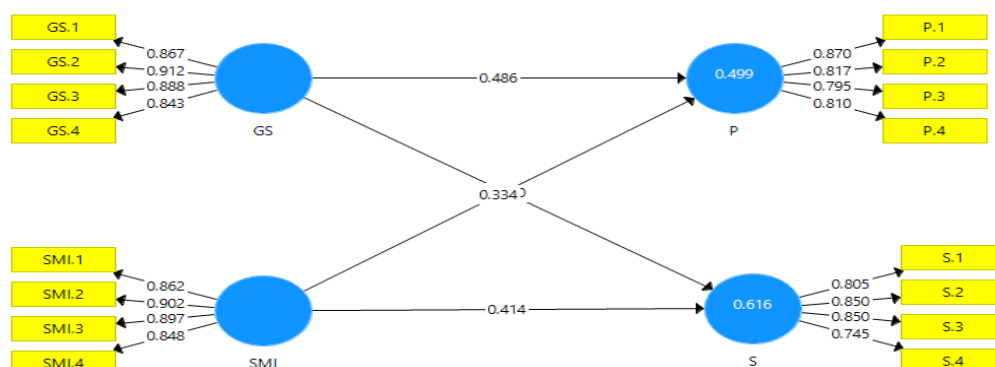


Figure 2. Research Model
Source: Data Analysis Result, 2023

RESULTS AND DISCUSSION

Result

5. Inner VIF Result

After the construct is confirmed to be valid and reliable based on criteria such as Cronbach Alpha, Composite Reliability, Convergent Validity, and Discriminant validity, then analysis is carried out by identifying the VIF value. Variance Inflation Factor (VIF) is a measure of collinearity between formative indicators in Partial Least Squares Structural Equation Modeling (PLS-SEM) (Hair Jr et al., 2014). If VIF is 5 or higher, it indicates a potential issue with collinearity problem (Hair Jr et al., 2014).

Table 3. Outer VIF Values

	VIF
GS (1;2;3;4)	2,474 ; 2,208 ; 2,658 ; 2,229
P (1;2;3;4)	2,111 ; 1,898 ; 1,819 ; 1,744
S (1;2;3;4)	1,767 ; 2,134 ; 2,169 ; 1,453
SMI (1;2;3;4)	2,292 ; 2,922 ; 3,000; 2,212

Table 4. Inner VIF Values

	GS	SMI	P	S
GS			1,279	1,279
SMI			1,279	1,279
P				
S				

Source: Data Analysis Result, 2023

Tables 4 and 5 above show the VIF values for both outer and inner which are below 5. In accordance with instructions from (Hair Jr et al., 2014) this indicates that the construct is free from collinearity issues and the analysis can be continued to the next stage.

6. Goodness of Fit

The goodness of fit (GoF) is an overall measure of model fit for PLS-SEM (Partial Least Squares Structural Equation Modeling) in SmartPLS. (Roemer et al., 2021) introduced the SRMR as a goodness of fit measure for PLS-SEM that can be used to avoid model misspecification. For the approximate fit indices such as SRMR and NFI, a value less than 0.10 or of 0.08 is considered a good fit (Roemer et al., 2021).

Table 5. Research on GoF

	Saturated Model	Estimated Model
SRMR	0,065	0,082
d_ULS	0,572	0,905
d_G	0,265	0,328
Chi Square	281,919	319,370
NFI	0,860	0,842

Source: Data Analysis Result, 2023

Based on the information displayed in Table 5, the SRMR value resulting from data analysis is 0.082, which means less than 0.10. These results indicate that the model used in this research is appropriate and the analysis can be continued to identify the coefficient of determination and then test the hypothesis by bootstrapping via the SmartPLS application..

7. Coefficient Determination

The coefficient of determination (R^2) is a measure of how well a statistical model predicts an outcome, represented by the model's dependent variable. It is a number between 0 and 1, with higher values indicating a greater explanatory power. In PLS-SEM, the coefficient of determination is used to evaluate the model's explanatory and predictive power (Hair Jr et al., 2021). There are three levels of coefficient of determination referring to (Hult et al., 2018), the coefficient of determination value is said to be strong and the exogenous variable is stated to be strongly able to explain the endogenous variable if the coefficient of determination value is 0.75. Below this value, the coefficient of determination is at a moderate level if the value is 0.50, and finally, the coefficient of determination is at a weak level if the value is 0.25. Based on table 5 below, based on the existing model, there are two endogenous variables, namely performance and sustainability of MSMEs. The combination of exogenous variables is only able to explain performance variables at a moderate level, namely 0.499 (very close to 0.5) or in other words, 49.9% of MSME performance variables can be explained by government support and social media impact. Meanwhile, other endogenous variables show a slightly larger R Square value of 0.616 or around 61.6% of the sustainability variables can be explained by a combination of exogenous variables even though they are only at a moderate level (close to 0.5).

Table 5. R Square

	R Square	R Square Adjusted
P	0,499	0,493
S	0,616	0,612

Source: Data Analysis Result, 2023

8. Hypothesis Test

Testing of existing hypotheses is carried out using the bootstrapping feature with basic settings of 500 subsamples and advanced settings which consist of setting the type of test and level of significance. The test was carried out with a two tailed type and a significance level of 5%. Table 6 below shows the results of hypothesis testing and indicates the results are in the form of direct relationships between exogenous variables and endogenous variables, all of which are significant and positive relationships. Government Support has a positive and significant effect on performance as well as on the sustainability of MSMEs. The same results also apply to the social media impact variable which shows a positive and significant influence on the two dependent variables, namely the performance and sustainability of MSMEs.

Table 6. Hypothesis Test

	Original Sample	Sample Mean	STD DEV	T Statistics	P Values
GS->P	0,486	0,488	0,062	7,817	0,000
GS->S	0,500	0,501	0,066	7,547	0,000
SMI->P	0,334	0,336	0,059	5,669	0,000
SMI->S	0,414	0,416	0,065	6,365	0,000

Source: Data Analysis Result, 2023

The first hypothesis, which shows the relationship between government support and the sustainability of MSMEs, has a p value of 0.000. Likewise, the second hypothesis which predicts the relationship between government support and MSME performance has the same p value, namely 0.000. Meanwhile, the third and fourth hypotheses related to social media impact predict that the influence of social media impact on the sustainability of MSMEs and the performance of MSMEs has a p value of 0.000 each. This result is in accordance with the opinion of (Hair Jr et al., 2021) which states that a p value below 0.05 can be said to be significant and the hypothesis can be accepted.

Discussion of Findings

1. Impact of Government Supports on Sustainability of MSMEs in F&B Industry

From the results of the analysis presented above, it can be concluded that there is a significant positive influence between Government Support on the Sustainability of Food and Beverages MSMEs in Indonesia. These results suggest that when Government Support is at an increasing level, the sustainability of MSMEs can also increase. In this way, the government can increase its support through various aspects such as funding, participation of MSMEs in development programs, satisfaction with various MSME programs, and regulations that support MSMEs.

These results can also be found in previous studies that focus and highlight the influence of government support on sustainability. Referring to (Kurniawan et al., 2023), Government policies that provide financial assistance can positively affect the sustainable performance of MSMEs. Financial support can help MSMEs to invest in sustainable practices, such as renewable energy, waste reduction, and eco-friendly production processes. This can lead to cost savings, improved efficiency, and increased competitiveness.

Apart from that, a UN report states that Government support can help build the capacity of MSMEs to adopt sustainable practices. For example, policymakers can design and deliver effective policy measures in a demand-driven approach, as well as improving the capacity of MSME entrepreneurs, particularly women and youth MSME entrepreneurs, in accessing financial resources, capturing high-value market opportunities, and adopting innovative techniques.

Meanwhile, (Deyganto, 2022) was more concerned about government support in relation to the provision of tax incentives. According to the findings, Tax incentives can encourage MSMEs to adopt sustainable practices. For example, tax breaks for investments in renewable energy or energy-efficient technologies can reduce the cost of adoption and increase the return on investment. Lastly, Government policies and regulations can create an enabling environment for MSMEs to adopt sustainable

practices. For example, regulations that require MSMEs to report on their environmental impact can increase transparency and accountability, and encourage MSMEs to adopt sustainable practices (Hernández-Carrión et al., 2020). Government support can have a positive influence on the sustainability of MSMEs. Financial assistance, capacity building, tax incentives, and regulatory frameworks are some of the ways in which governments can support MSMEs in adopting sustainable practices.

2. Impact of Government Supports on Performance of MSMEs in F&B Industry

In line with the relationship between government support and sustainability of MSMEs, government support also has a significant positive influence on the performance of MSMEs, especially food and beverage MSMEs in Indonesia. The performance of MSMEs will thus increase along with increases in the quantity and quality of government support. In line with the relationship between government support and sustainability of MSMEs, government support also has a significant positive influence on the performance of MSMEs, especially food and beverage MSMEs in Indonesia. The performance of MSMEs will thus increase along with increases in the quantity and quality of government support. These findings complement and are in line with several previous studies which also examined how government support can impact the performance of MSMEs, especially in the food and beverage industry. A study conducted by (Alkahtani et al., 2020) highlighted government support from a financial perspective. They found that Government support can provide quick access to resources and financial and non-financial support to MSMEs at underdeveloped stages. Credit, training, services, loans, tax payments, and other forms of support can be important drivers of sustainable performance.

Government support can have a direct and positive influence on the performance of small and medium-sized enterprises (SMEs) (Alkahtani et al., 2020)(Jayeola)(Khan et al., 2019)(Brako Ntiamoah et al., 2016). The results of a study conducted in Swat Valley showed that government support has a direct and positive influence on the performance of SMEs (Khan et al., 2019). Another study conducted in Ghana found that government support had a positive and significant effect on the performance of SMEs via the partial mediation effect of other institutions' support (Brako Ntiamoah et al., 2016). A dual sequential mediator approach study found that government financial support can ultimately improve the financial performance of SMEs (Jayeola).

Government support can help SMEs gain access to capital, technology improvement, quality, and other resources (Brako Ntiamoah et al., 2016). It can also promote quick access to resources and support SMEs financially and non-financially at underdeveloped stages so that government support can play a decisive role in the improvement of organizational performance (Alkahtani et al., 2020). Therefore, it is important for governments to ensure that their support programs are accessible to all SMEs, regardless of their size, age, or ownership.

3. Influence of Social Media Impact on Sustainability of MSMEs in F&B Industry

The results of hypothesis testing decided that the third hypothesis, namely that social media impact has a positive and significant effect on the sustainability of MSMEs in the food and beverage industry, is acceptable. This indicates that social media can play a role in encouraging the sustainability of MSMEs in Indonesia, as research conducted by (Rahmawati et al., 2023)(Martínez-Navalón et al., 2019)((Mas

Suariedewi et al., 2022) also echoes the same thing. Social media engagement can have a positive impact on marketing performance (Rahmawati et al., 2023). Social media platforms provide companies with the opportunity to target diverse audiences and create effective communication strategies (Mas Suariedewi et al., 2022).

Using social media can also help MSMEs reduce costs, which can have a positive effect on their sustainability. Research conducted on MSMEs in India stated that the fewer costs incurred in using social media, the more MSMEs will benefit (Mas Suariedewi et al., 2022). Social media can also have an impact on environmental sustainability. For example, a study found that restaurant social media can influence environmental sustainability in the food and beverage service industry (Martínez-Navalón et al., 2019). Social media can play a significant role in the sustainability of MSMEs in the F&B industry. By using social media platforms effectively, MSMEs can improve their marketing performance, reduce costs, receive direct feedback from customers, and even contribute to environmental sustainability.

Other findings state that social media marketing can enhance the productivity and revenue of MSMEs (Patma et al., 2021). (Hartati et al., 2022) states that social media has a pivotal role in achieving marketing and branding goals for business competitiveness. Recently, due to the changing market environment due to the covid-19 pandemic, it can be said that the sustainability of SMEs in developing countries, such as Indonesia, depends on social media. Social media is also closely related to brand image. Social media richness has an influence on brand equity, as MSMEs that provide abundant information on their social media platforms tend to have higher brand equity (Shandy et al., 2023).

4. Influence of Social Media Impact on Performance of MSMEs in F&B Industry

The final hypothesis which predicts that social media impact has a significant influence on the performance of MSMEs in the food and beverage industry can be accepted so that by using social media, MSMEs can improve their performance. Several previous studies have highlighted this from various sides such as marketing, competitive advantage and productivity. Social media engagement has a positive impact on marketing performance according to (Rahmawati et al., 2023)(Sanaji). This impact can occur through digital content marketing because this type of digital marketing content has a favorable impact on business performance (Aryani & Tuti, 2023).

Social media is also able to be an accelerator for MSMEs in growing and developing their competitive advantage through several ways such as improving customer service and relationships and having an impact on improving the quality of products and services (Albakri & Ahmed, 2021). MSMEs also achieve a competitive advantage by using social media, as it can reduce overall marketing costs and offer better customer service. Overall, The use of social media can help SMEs discover what society needs and increase brand awareness of their products and services (Chatterjee & Kar, 2020).

5. Implications

The study's findings hold significant implications for both government support and the use of social media in the context of small food and beverage businesses in Indonesia. Firstly, the government should consider increasing funding for these businesses, especially to support eco-friendly practices and offer training and resources to entrepreneurs, particularly young and women business owners. Tax

incentives for environmentally responsible practices and clear regulations for environmental impact reporting are also recommended. Additionally, it is crucial to ensure that all small businesses, regardless of size or ownership, can access government support programs. On the other hand, businesses in the food and beverage industry should leverage social media for effective marketing and branding, focusing on cost-saving strategies. They should also use social media to showcase their eco-friendly initiatives, which can improve brand image and contribute to environmental sustainability. Social media can provide a competitive edge by enhancing customer service and product quality, and it should be used as a platform for listening to customer feedback to enhance overall performance.

CONCLUSION

Based on the results of the research that has been carried out, it can be concluded that all hypotheses can be accepted. This means that Government Support and Social Media Impact are a combination that can influence the performance and sustainability of MSMEs in the food and beverage sector in Indonesia. Apart from being able to clearly answer the research objectives, this research is still on the surface and has not yet explored in depth how government support and social media can influence the performance and sustainability of MSMEs. Apart from that, geographical limitations and obstacles mean that this study is limited to several regions even though in general it can be said to represent Indonesia. Thus, future research related to this topic can be carried out in more depth, both qualitatively and with mixed methods, to reveal this phenomenon in real terms in the field. Research can also be carried out quantitatively using the same method but with an additional number of samples from all regions in Indonesia, for example each province contributes at least two respondents to fill out the questionnaire. Thus, the research results can be more comprehensive in describing how this phenomenon occurs in Indonesia. This research, apart from being an addition and complement to existing literature, can also be an evaluation material for both the government as the policy holder and for MSMEs as actors in the field to jointly build a developing and sustainable MSME ecosystem.

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