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Investigating Factors Influencing Social Media Performance MSMEs in JABODETABEK

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ABSTRACT

The trend of digital environmental change encourages MSMEs in Jabodetabek to utilize social media as their main marketing channel. However, not all MSMEs can optimize social media performance effectively. This study aims to analyze the factors influencing social media performance in MSMEs, focusing on the influence of environmental forces, absorptive capacity, and social media marketing capabilities in creating content (posting capability) and interacting on social media (interaction capability). This research uses a quantitative approach grounded in Resource-Based Theory (RBT) and involves respondents who are MSME owners in the Jabodetabek area. The novelty of this research lies in integrating environmental forces, absorptive capacity, and the two dimensions of social media capability—posting and interaction—into a single conceptual model. This integration provides a more comprehensive understanding of how external pressures and internal knowledge absorption work together to shape social media performance. Data were collected through a structured questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the proposed hypotheses. The findings reveal that environmental forces have a positive and significant influence on MSMEs' absorptive capacity, which in turn strengthens their posting and interaction capabilities, ultimately enhancing social media performance. Theoretically, this study advances RBT by linking external factors with resource-based capabilities. Practically, it highlights the importance for MSMEs to develop strong absorptive capacity so they can transform environmental changes into effective content strategies and meaningful audience interactions, leading to improved social media performance.

KEYWORDS SMES, Environmental Forces, Absorptive Capacity, Social Media Marketing Capability, Social Media Performance

INTRODUCTION

The growth of micro, small, and medium enterprises (MSMEs) globally is recognized as the main driver in encouraging national economic development. Based on the OECD report (2023), MSMEs contribute more than 50% to the gross domestic product (GDP) and provide around 60-70% of jobs in most member countries of the Organisation for Economic Co-operation and Development (OECD). In the United States, data from the U.S. Small Business Administration (SBA) revealed that MSMEs account for 44% of the private sector's GDP and serve as a key driver of innovation and job creation (SBA, 2023). Similarly, in Europe, MSMEs are responsible for almost 56% of the total value added in the non-financial sector and employ more than 100 million people across the region (European Commission, 2023).

Various studies highlight the close relationship between the development of the MSME sector and national economic growth. Surya et al. (2021) found a significant positive correlation between the size of the MSME sector and the rate of economic growth. Ayyagari et al. (2007) also noted that formal MSMEs in high-income countries account for almost 50% of GDP. When compared between developed and developing countries, there are quite striking

differences in the role and contribution of MSMEs to the economy. In developed countries, MSMEs contribute economic added value of 40% to 88% and employment of 35% to 71%, with an average contribution of 51.8% and 67% (OECD, 2017). On the other hand, MSMEs in developing countries play an important role in economic activities, with a contribution to GDP that reaches around 40% from the formal sector (World Bank, 2019).

In Indonesia, the development of MSMEs continues to show significant growth and is an important pillar in domestic economic growth. MSMEs have contributed around 61% of the gross domestic product (GDP) and provided employment for more than 97% of the workforce in Indonesia (Coordinating Ministry for Economic Affairs, 2023). Based on data reports from the Ministry of Cooperatives and SMEs, the number of MSMEs in Indonesia in 2024 will reach more than 65 million units in various sectors such as culinary, fashion, handicrafts, and digital technology (Waluyo, 2024). Based on data from the 2022 ASEAN Investment Report, Indonesia has the largest number of MSMEs in ASEAN, reaching around 65.46 million units in 2021, which is able to absorb 97% of the national workforce, contribute 60.3% to GDP, and contribute 14.4% to exports (ASEAN Secretariat, 2022).

Advances in technology and the internet have changed consumers' preferences in shopping. Social media has become an important tool for MSMEs to increase the visibility of their products and reach a wider range of consumers at a relatively low cost (DSInnovate, 2021). Platforms such as Instagram, Facebook, and TikTok allow MSMEs to interact directly with consumers, build brand awareness, and market effectively. Based on a survey conducted by MSME Empowerment, in 2021 there were more than 132 million active social media users in Indonesia. According to the We Are Social (2023) report, at the beginning of 2023 there were 212.9 million internet users in Indonesia, with a penetration rate of 77% of the total population.

Social media not only functions as a means of communication but has also evolved into a center of digital buying and selling activities, where social commerce is projected to account for around 22% of total global e-commerce transactions by 2028 (Harjadi, 2024). In Indonesia, the contribution of online shopping transactions through social platforms reached 3.6% and is predicted to increase to 5% by 2028, in line with the high use of the internet and social media by more than 200 million users. In the 2022 MSME Empowerment Report conducted by DSInnovate to 1,500 MSMEs, it was found that as many as 72.5% of MSMEs use social media with the aim of interacting with consumers using social media platforms such as Instagram, Facebook, TikTok, YouTube, Twitter, and LinkedIn (Mawarsari, 2023).

However, based on data obtained by the Indonesian Chamber of Commerce and Industry (Kadin), it shows that although around 84.75% of MSME actors in Indonesia already use social media, many of them still do not use the platform effectively (Kadin, 2025). Based on the MSME Empowerment Report in 2022, it was revealed that although the use of digitalization for MSMEs has a positive impact, 70% of MSMEs in Indonesia have difficulty marketing their products digitally (Mucharomah, 2023). A survey conducted by the National Research and Innovation Agency (BRIN) revealed that most MSMEs are at the "learner" stage in terms of digital readiness, with many of them only using digital technology for basic marketing without further innovation (Dewi, 2024).

Based on a report conducted by the Institute for Development of Economics and Finance (INDEF), business actors still often experience various obstacles in optimizing

technology to develop their businesses amid the rapid development of digital platforms. There are three main obstacles that are often faced, namely the fierce competition between business actors on digital platforms (96.46%), challenges in dealing with criticism and consumer suggestions that have an impact on business reputation (96.07%), and the lack of workforce skills in using digital platforms effectively (83.46%) (INDEF, 2024). Research conducted by MarkPlus to 400 MSMEs revealed that even though MSMEs have taken advantage of online platforms, 29% of MSMEs still have difficulty creating content (Kamaliah, 2020).

The measurement of MSMEs' social media performance is not enough to be seen from digital presence alone but from the extent to which they utilize analytics tools such as Facebook Page Insights, Meta Business Suite, Instagram Insights, TikTok Analytics, Twitter Analytics, LinkedIn Analytics, and YouTube Analytics to evaluate the performance of content and audience interaction (Meta, 2024; Mayol, 2023). These tools allow MSMEs to assess content performance and interaction strategies through indicators such as user interaction, reach, clicks, conversion rate, engagement rate, and acquisition rate (Sanches & Ramos, 2025). According to the Ministry of Communication and Information Technology (Kominfo), the 2024 survey reported that only 18% of MSME actors have basic digital skills such as in using e-commerce applications or social media to market their products.

Previous studies have explored the relationship between organizational capabilities and social media performance. Cohen and Levinthal (1990) explain that organizations that face a dynamic and rapidly changing environment will be more motivated to develop absorptive capacity in order to recognize the value of external information and use it for innovation. Zahra and George (2002), in the journal *Absorptive Capacity: A Review, Reconceptualization, and Extension*, stated that the dynamics of the external environment, such as uncertainty and competitive pressures, encourage organizations to improve their ability to absorb new knowledge in order to survive and thrive in a competitive market. Flatten et al. (2011) found that small and medium-sized organizations tend to be more adaptive and build strong absorptive capacity when they face high environmental forces.

Jansen et al. (2005) also assert that external pressures, such as the need for innovation and response to market demand, can strengthen an organization's ability to explore and exploit new information. Zhou and Wu (2010), in the journal *Technological Capability, Strategic Flexibility, and Product Innovation*, found that absorptive capacity supports organizations in identifying market information into innovative activities, one of which is the ability to communicate through digital media. Tsai (2001) stated that absorptive capacity allows organizations to optimize the use of new media to gain a competitive advantage in performance achievement.

In the context of social media, Ashley and Tuten (2015), in the journal *Creative Strategies in Social Media Marketing*, emphasized that the frequency and quality of content posted on social media is directly related to user engagement levels and brand performance. Trainor et al. (2014) revealed that the use of social media technology in customer relationship management can improve customer relationship performance. Järvinen and Karjaluoto (2015) emphasize that active user participation, such as commenting, liking, and discussing, is essential in increasing the effectiveness of digital marketing campaigns.

This research offers novelty by exploring the technical use of social media analytics in measuring social media performance, filling a gap that has not been widely explained in macro

studies and public policy that are still aggregative (Lin et al., 2016; Hassani & Mosconi, 2022). The approach of this research uses Resource-Based Theory (RBT), which focuses on organizational capabilities, not individual personal characteristics such as education level (Barney, 1991; Grant, 1991). Recent studies show that digital competencies are more effectively formed through internal learning processes and direct involvement in digitalization (González-Varona et al., 2024; Escoz Barragan & Becker, 2025).

Another novelty lies in the integration of environmental forces as a triggering factor for absorptive capacity in the context of Indonesian MSMEs, especially in the *Jabodetabek* area, which has dynamic and competitive market characteristics. This study also uses a comprehensive approach by analyzing two dimensions of social media marketing capability, namely posting capability and interaction capability, which simultaneously affect social media performance. In contrast to previous research that tended to focus on one aspect of capability, this study provides a holistic picture of how MSMEs can optimize social media through integrated capability development.

Based on the formulation of the problem, this study aims to investigate the factors that affect the performance of MSME social media in Indonesia using the Resource-Based Theory framework that emphasizes learning and capability development. Specifically, this study will answer the following questions: (1) Do environmental forces have an influence on absorptive capacity? (2) Is absorptive capacity able to encourage the development of social media marketing posting capability and social media marketing interaction capability? (3) How does absorptive capacity encourage social media performance?

In terms of academic contribution, this research is expected to be a reference in the development of further research and provide additional insights, especially for the Master of Technology Management study, related to topics such as environmental forces, absorptive capacity, social media marketing posting capability, social media marketing interaction capability, and social media performance. This research also enriches the literature related to the theory of absorptive capacity and social media performance by adding environmental forces as external factors that affect social media marketing capability.

Environmental forces such as market uncertainty, technological advancements, and competitive intensity play a critical role in shaping an organization's capability to acquire, assimilate, and apply external knowledge (Cohen & Levinthal, 1990; Zahra & George, 2002). Prior studies have indicated that in highly dynamic environments, firms are more likely to develop strong absorptive capacity to detect opportunities and mitigate risks (Flatten et al., 2011). For MSMEs, adapting to evolving digital marketing trends and consumer behaviors requires continuously absorbing new market information. Therefore, environmental forces are expected to positively influence absorptive capacity.

Absorptive capacity enables organizations to integrate market insights into content creation strategies, resulting in relevant, timely, and engaging posts (Zhou & Wu, 2010; Tsai, 2001). MSMEs with high absorptive capacity can transform knowledge gained from external sources into creative and targeted social media content. This capability improves their consistency and quality in posting, which is critical to maintaining audience engagement. Hence, absorptive capacity is expected to positively influence posting capability.

In addition to content creation, absorptive capacity supports the ability to design and execute effective interaction strategies, including responding to comments, participating in

discussions, and managing online communities (Trainor et al., 2014). Organizations that can process and apply feedback from customers are better able to foster engagement and build long-term digital relationships. Therefore, absorptive capacity is expected to enhance interaction capability.

Organizations with strong absorptive capacity are better positioned to optimize their social media strategies through the effective use of analytics, market segmentation, and content adaptation (Jansen et al., 2005). By leveraging external knowledge, MSMEs can improve reach, engagement, and conversion rates, thereby enhancing overall social media performance. Accordingly, absorptive capacity is hypothesized to have a positive impact on social media performance.

Regular and high-quality posting strengthens brand awareness, maintains relevance, and drives customer engagement in digital markets (Ashley & Tuten, 2015). MSMEs that excel in posting capability can consistently deliver value to their audiences, which contributes to improved performance indicators such as engagement rate, reach, and conversions. Therefore, posting capability is expected to positively influence social media performance.

Effective interaction capability allows MSMEs to build trust, strengthen relationships, and encourage brand advocacy by responding to customers in real-time and fostering dialogue (Järvinen & Karjaluoto, 2015). Interactive engagement increases customer satisfaction and loyalty, which in turn enhances social media performance. Thus, interaction capability is expected to have a positive impact on social media performance.

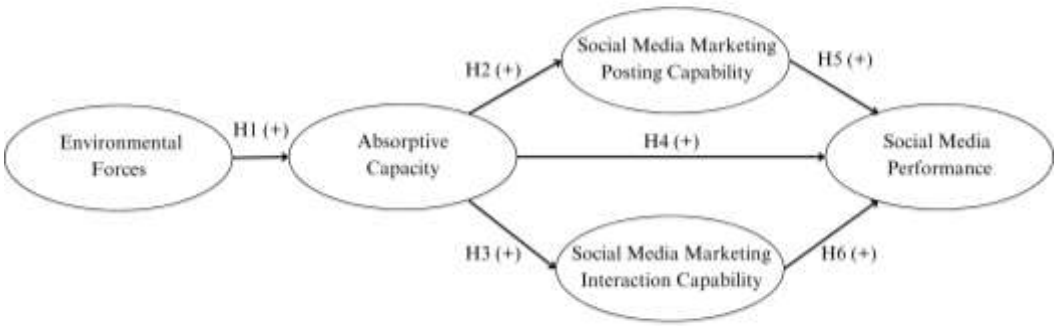

Fig. 1 Research Model
Source: Author (2025)

Based on the above conditions and supported by the literature review as illustrated in Figure 1, there are six hypotheses developed as below:

H1: Environmental Forces have a positive and significant effect on Absorptive Capacity

H2: Absorptive Capacity has a positive and significant effect on Social Media Marketing Posting Capability

H3: Absorptive Capacity has a positive and significant effect on Social Media Marketing Interaction Capability

H4: Absorptive Capacity has a positive and significant effect on Social Media Performance

H5: Social Media Marketing Posting Capability has a positive and significant effect on Social Media Performance

H6: Social Media Marketing Interaction Capability has a positive and significant effect on Social Media Performance

METHOD

This research used a quantitative approach with the philosophy of positivism. The research design is cross-sectional using surveys as a data collection method. The research population is MSME actors in the Jabodetabek area who actively use social media for marketing activities. The sampling technique used purposive sampling with the following criteria: (1) MSMEs operating in the Jabodetabek area; (2) Have an active social media account for the business; (3) Have used social media for marketing for at least 6 months. The sample size was determined based on the formula of Hair et al. (2022) for the SEM-PLS analysis, which is at least 10 times the number of indicators in the construct. The total sample obtained was 248 respondents.

The research instrument was in the form of an online questionnaire with a Likert scale of 5 points (1 = Strongly Disagree to 5 = Strongly Agree). The research variables consisted of: 1) Environmental Forces (4 indicators): measuring the environmental forces faced by MSMEs. 2) Absorptive Capacity (3 indicators): measures the ability to absorb new information. 3) Social Media Marketing Posting Capability (2 indicators): measures the ability to create content. 4) Social Media Marketing Interaction Capability (5 indicators): measures the ability to interaction. 5) Social Media Performance (4 indicators): measures social media performance

Data analysis using Structural Equation Modeling (SEM) with SmartPLS 4.0. The analysis stage includes the evaluation of the measurement model (outer model) to test the validity and reliability, then the evaluation of the structural model (inner model) to test the research hypothesis.

RESULT AND DISCUSSION

Descriptive Statistical Analysis

This study involved 248 MSME respondents in the Jabodetabek area who had passed the screening and profiling process according to the research criteria. The majority (82.7%) were engaged in the culinary sector, indicating that the research predominantly reflects the characteristics of culinary MSMEs. Geographically, most respondents (82.7%) were located in South Tangerang. Descriptive statistical analysis was conducted to capture respondents' perceptions of the indicators for each research variable using a 5-point Likert scale.

Table 1. Descriptive Statistical Analysis

Variable	Indicator	Mean	Median	Mode	Std Dev
EF	EF1	4.802	5	226	0.739
	EF2	4.125	4	174	0.722
	EF3	4.323	4	127	0.783
	EF4	4.508	5	149	0.751
AC	AC1	4.774	5	219	0.744
	AC2	4.637	5	186	0.786
	AC4	4.516	5	162	0.852
SMMPC	SMMPC2	4.613	5	176	0.764
	SMMPC5	4.556	5	164	0.786

SMMIC	SMMIC1	4.786	5	217	0.700
	SMMIC2	4.508	5	151	0.757
	SMMIC3	4.262	4	151	0.718
	SMMIC4	4.262	4	146	0.735
	SMMIC5	4.323	4	126	0.736
SMP	SMP1	4.770	5	221	0.762
	SMP2	4.464	5	149	0.842
	SMP3	4.476	5	149	0.823
	SMP4	4.319	4	124	0.772

Notes: EF = Environmental Forces; AC = Absorptive Capacity; SMMPC = Social Media Marketing Posting Capability; SMMIC = Social Media Marketing Interaction Capability; SMP = Social Media Performance.

The results of the analysis showed that respondents' perception of all variables was in the category of "Agree" to "Strongly Agree" with a mean value above 4.0. The EF1 indicator (competitors increasing) has the highest mean of 4,802, indicating that the majority of MSMEs feel an increase in competition in their industry. In the Absorptive Capacity variable, the AC1 indicator (seeking new information) reached a mean of 4,774, indicating that MSMEs have a high awareness of the importance of seeking external information.

Evaluation of Measurement Models (Outer Model)

Convergent Validity Test

Convergent validity testing used factor loading criteria > 0.7 and Average Variance Extracted (AVE) > 0.5 (Hair et al., 2022). After the elimination process of unqualified indicators, the final model retains 18 indicators from 5 constructs.

Table 2. Convergent Validity Test Results

Variable	Indicator	Factor Loadings	AVE	Validity Test Results
EF	EF1	0.896	0.748	VALID
	EF2	0.897		VALID
	EF3	0.852		VALID
	EF4	0.813		VALID
AC	AC1	0.913	0.832	VALID
	AC2	0.916		VALID
	AC4	0.908		VALID
SMMPC	SMMPC2	0.922	0.837	VALID
	SMMPC5	0.907		VALID
SMMIC	SMMIC1	0.865	0.629	VALID
	SMMIC2	0.795		VALID
	SMMIC3	0.785		VALID
	SMMIC4	0.758		VALID
	SMMIC5	0.759		VALID
SMP	SMP1	0.898	0.754	VALID
	SMP2	0.889		VALID
	SMP3	0.858		VALID
	SMP4	0.826		VALID

Notes: EF = Environmental Forces; AC = Absorptive Capacity; SMMPC = Social Media Marketing Posting Capability; SMMIC = Social Media Marketing Interaction Capability; SMP = Social Media Performance.

Discriminating Validity Test

The validity of the discriminant was tested using three approaches: cross loading, the Fornell-Larcker Criterion, and HTMT (Heterotrait-Monotrait Ratio).

Table 3. Cross Loading Test Results

Indicator	AC	EF	SMMIC	SMMPC	SMP
AC1	0.913	0.823	0.732	0.710	0.804
AC2	0.916	0.704	0.668	0.658	0.704
AC4	0.908	0.663	0.625	0.638	0.681
EF1	0.833	0.896	0.711	0.726	0.798
EF2	0.661	0.897	0.603	0.630	0.669
EF3	0.598	0.852	0.589	0.576	0.610
EF4	0.655	0.813	0.605	0.623	0.640

Notes: EF = Environmental Forces; AC = Absorptive Capacity.

The results showed that each indicator had the highest load on its original construct, proving the discriminant validity was met.

Reliability Test

Table 4. Reliability Test Results

Variable	Composite Reliability	Cronbach's Alpha	Reliability Test Results
EF	0.922	0.888	RELIABLE
AC	0.937	0.899	RELIABLE
SMMPC	0.911	0.805	RELIABLE
SMMIC	0.894	0.852	RELIABLE
SMP	0.924	0.891	RELIABLE

Notes: EF = Environmental Forces; AC = Absorptive Capacity; SMMPC = Social Media Marketing Posting Capability; SMMIC = Social Media Marketing Interaction Capability; SMP = Social Media Performance.

All constructs met the reliability criteria with a Composite Reliability value and Cronbach's Alpha > of 0.7.

Evaluation of Structural Models (Inner Model)

Coefficient of Determination Test (R^2)

The evaluation of the inner quality of the model was carried out through the measurement of the value of the determination coefficient (R^2) to describe the predictive ability of the model.

Table 5. R Square Test Results

Construct	R Square	R Square Adjusted	Categories Predictions
EF	0.648	0.647	Medium-Strong
AC	0.552	0.550	Keep
SMMPC	0.540	0.538	Keep
SMMIC	0.737	0.733	Strong

Notes: EF = Environmental Forces; AC = Absorptive Capacity; SMMPC = Social Media Marketing Posting Capability; SMMIC = Social Media Marketing Interaction Capability.

Based on the criteria of Hair et al. (2022), the Social Media Performance construct has the strongest predictive ability ($R^2 = 0.737$), showing that 73.7% of variations in social media performance can be explained by variables in the model.

Hypothesis Test - Path Coefficient

Hypothesis testing was carried out using the bootstrapping method with 500 resampling. The criteria for hypothesis acceptance were t-value > 1.96 and p-value < 0.05.

Table 7. Direct Path Coefficient Test Results

Hypothesis	Path	Original Sample (β)	T Statistics	P Values	Result
H1	EF → AC	0.805	15.098	0.000	Accepted
H2	AC → SMMPC	0.735	9.407	0.000	Accepted
H3	AC → SMMIC	0.743	9.254	0.000	Accepted
H4	AC → SMP	0.394	4.323	0.000	Accepted
H5	SMMPC → SMP	0.309	3.141	0.001	Accepted
H6	SMMIC → SMP	0.247	2.318	0.010	Accepted

Notes: EF = Environmental Forces; AC = Absorptive Capacity; SMMPC = Social Media Marketing Posting Capability; SMMIC = Social Media Marketing Interaction Capability; SMP = Social Media Performance.

Indirect Effects Analysis

Table 8. Indirect Path Coefficient Test Results

Path Mediation	Original Sample (β)	T Statistics	P Values	Result
EF → AC → SMMIC	0.598	6.811	0.000	Significant
EF → AC → SMMPC	0.592	6.618	0.000	Significant
EF → AC → SMP	0.317	3.848	0.000	Significant
AC → SMMIC → SMP	0.183	2.050	0.020	Significant
AC → SMMPC → SMP	0.227	2.751	0.003	Significant
EF → AC → SMMIC → SMP	0.148	2.041	0.021	Significant
EF → AC → SMMPC → SMP	0.183	2.669	0.004	Significant

Notes: EF = Environmental Forces; AC = Absorptive Capacity; SMMPC = Social Media Marketing Posting Capability; SMMIC = Social Media Marketing Interaction Capability; SMP = Social Media Performance.

Research Structural Model

Based on the test results, the structural model of the research can be described as follows:

Environmental Forces → Absorptive Capacity → Social Media Marketing Capabilities → Social Media Performance

Relative Contribution Analysis

A relative contribution analysis shows that Absorptive Capacity has the greatest influence on the development of social media capabilities. The AC line coefficient → SMMIC (0.743) is slightly larger than that of AC → SMMPC (0.735), showing that the ability to absorb information has more influence on the development of interaction skills than posting skills. However, in the context of the influence on Social Media Performance, Social Media Marketing Posting Capability (β = 0.309) contributed more than Social Media Marketing Interaction Capability (β = 0.247). This indicates that although both capabilities are important, the ability to create quality content has a more significant impact on the performance of MSMEs.

Total Effects Analysis

The total effect of Environmental Forces on Social Media Performance can be calculated through direct and indirect channels: Total Effect (EF → SMP) = Direct Effect + Indirect Effects = 0 + (0.805 × 0.394) + (0.805 × 0.735 × 0.309) + (0.805 × 0.743 × 0.247) = 0 + 0.317 + 0.183 + 0.148 = 0.648. These results show that 64.8% of the influence of Environmental Forces on Social Media Performance is mediated by the Absorptive Capacity and social media capabilities.

Comparison with Previous Research

The findings of this study are consistent with some previous studies but also make new contributions. Zahra & George's (2002) research found the influence of environmental forces on absorptive capacity with a coefficient of β = 0.72, while this study produced β = 0.805, showing a stronger influence in the context of Indonesian MSMEs.

The study of Zhou & Wu (2010) found the effect of absorptive capacity on innovation capability of β = 0.68, while this study found a greater influence on social media marketing capabilities (β = 0.735 and β = 0.743). This indicates that in the digital era, absorptive capacity has a more strategic role in developing digital marketing capabilities.

Effect of Environmental Forces on Absorptive Capacity (H1)

The results showed that Environmental Forces had a positive and significant effect on Absorptive Capacity with a path coefficient of β = 0.805 (t = 15,098, p = 0.000). These findings are in line with the research of Zahra & George (2002) which states that external environmental dynamics, such as uncertainty and competitive pressures, encourage organizations to improve their ability to absorb new knowledge. Flatten et al. (2011) also found that small and medium-sized organizations tend to be more adaptive and build strong absorptive capacity when faced with high environmental forces.

In the context of Indonesian MSMEs, the most dominant environmental forces (EF1: β = 0.896) is the increasing number of competitors in the industry. This forces MSMEs to continue to learn and develop the ability to absorb new information in order to survive in competition. This phenomenon can be seen from how MSME actors are quick to adopt new social media platforms such as TikTok Shop in response to changes in consumer behavior and competitor strategies.

The Effect of Absorptive Capacity on Social Media Marketing Posting Capability (H2)

Absorptive Capacity was proven to have a positive and significant effect on Social Media Marketing Posting Capability with a coefficient of β = 0.735 (t = 9.407, p = 0.000). These results support the research of Zhou & Wu (2010) who found that absorptive capacity supports organizations in identifying market information into innovative activities, including the ability to communicate through digital media.

The AC1 indicator (ability to find new information) with the highest loading (0.913) shows that MSMEs that actively seek external information are better able to develop effective posting skills. The information absorbed from market trends, consumer preferences, and

competitors' strategies is then transformed into relevant and engaging content (SMMPC2: β = 0.922).

The Effect of Absorptive Capacity on Social Media Marketing Interaction Capability (H3)

The results showed that Absorptive Capacity had a positive and significant effect on Social Media Marketing Interaction Capability with a coefficient of β = 0.743 (t = 9.254, p = 0.000). These findings are consistent with the research of Lane et al. (2006) who explain that absorptive capacity enriches companies in identifying opportunities to build closer interactions with consumers.

MSMEs that have high absorptive capacity are better able to understand the needs and expectations of social media audiences, so that they can develop more effective interaction strategies. This is reflected in the ability to create informative social media accounts (SMMIC1: β = 0.865) and build two-way communication with consumers.

The Effect of Absorptive Capacity on Social Media Performance (H4)

Absorptive Capacity has a positive and significant direct influence on Social Media Performance with a coefficient of β = 0.394 (t = 4.323, p = 0.000). Although the direct influence is smaller than the indirect influence through social media capabilities, it shows that organizational learning can directly improve social media performance.

This result is in line with Tsai's (2001) research which states that absorptive capacity allows organizations to optimize the use of new media to gain a competitive advantage. MSMEs that are able to absorb and apply new knowledge can increase closeness with customers (SMP1: β = 0.898) and increase engagement (SMP2: β = 0.889).

The Effect of Social Media Marketing Posting Capability on Social Media Performance (H5)

Social Media Marketing Posting Capability has a positive and significant effect on Social Media Performance with a coefficient of β = 0.309 (t = 3.141, p = 0.001). These findings support the research of Ashley & Tuten (2015) which confirms that the frequency and quality of content posted on social media is directly related to user engagement levels and brand performance.

The ability of MSMEs to consistently post relevant and engaging content (SMMPC5: β = 0.907) has been shown to improve their social media performance. Quality posts not only increase product visibility but also strengthen relationships with audiences.

The Effect of Social Media Marketing Interaction Capability on Social Media Performance (H6)

Social Media Marketing Interaction Capability has a positive and significant effect on Social Media Performance with a coefficient of β = 0.247 (t = 2.318, p = 0.010). Although the impact is smaller than that of a capability post, interaction remains an important factor in improving social media performance.

These results are consistent with the research of Trainor et al. (2014) which revealed that the use of social media technology in customer relationship management can improve customer

relationship performance. MSMEs that actively interact with their audiences through comments and other social media features can build stronger relationships and increase consumer loyalty.

Mediation Effect Analysis

An indirect effect analysis showed that Absorptive Capacity mediated the relationship between Environmental Forces and the two social media capabilities. The EF → AC pathways → SMMPC (β = 0.592, t = 6.618) and EF → AC → SMMIC (β = 0.598, t = 6.811) suggest that environmental forces drive organizational learning, which in turn develops digital capabilities.

These findings confirm the importance of absorptive capacity as an internal mechanism that transforms external pressure into strategic capability. MSMEs not only react to environmental changes, but proactively develop the ability to optimize social media as a marketing tool.

Contributions to the Development of Theory

This research contributes to the development of the theory by integrating the concepts of Environmental Forces, Absorptive Capacity, and Social Media Marketing Capabilities in one coherent model. This model shows that in the digital age, an organization's ability to absorb and transform external information into strategic digital capabilities is key to the success of social media marketing. These findings also expand the application of Resource-Based Theory in the context of MSMEs and digital marketing, showing that the theory developed for large companies is also relevant for small businesses with adaptations that suit their context and resource limitations.

CONCLUSION

This study concludes that environmental forces positively influence MSMEs' absorptive capacity, which in turn drives social media marketing posting and interaction capabilities, all of which significantly enhance social media performance and underscore the value of continuous learning and digital capability building for competitive advantage, thereby reinforcing Resource-Based Theory in digital marketing contexts. Practically, MSMEs should monitor environmental changes, invest in internal learning, produce consistent engaging content, foster audience interactions, and use analytics tools, while policymakers can design targeted digital literacy programs to boost competitiveness. As the research is limited to Jabodetabek's culinary sector, a suggestion for future research is to extend it to diverse regions, industries, and methodologies—like mixed methods—while examining moderators such as digital literacy or innovation culture for deeper insights into MSME digital capability development.

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