

## Entrepreneurial Knowledge, Social Media, and Innovation on the Success of MSMEs

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Article Info	Abstract
Received June 15, 2025	<i>This study aims to examine the influence of entrepreneurial knowledge, social media utilisation, and innovation on the success of SMEs. A quantitative method was employed, with primary data gathered through questionnaire distribution. The study involved 84 SMEs in the coffee shop sector across South Kalimantan, selected using random sampling based on the Slovin formula to ensure sample representativeness. The data were analysed using multiple linear regression to explore the relationship between the independent and dependent variables. The results reveal that entrepreneurial knowledge does not significantly affect SME success, whereas social media usage and innovation have a significant positive impact.</i>
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### INTRODUCTION

In 2021 and 2022, the number of MSMEs in South Kalimantan reached 35,322 units. In Tanah Laut, several SMEs in Pelaihari City, such as Kopi Lain Hati, Waku Kopi, and Mantri, unfortunately closed after initially being busy with customers. This closure is attributed to several factors, including limited entrepreneurial knowledge, ineffective utilization of social media, and insufficient innovation (Fajar, 2023). Coffee shops are micro, small, and medium enterprises (MSMEs) that have recently gained widespread popularity. This aligns with the findings of the study conducted by Kurniawan and Ridlo (2017), which shows that the increase in coffee industries is in line with the rise in processed coffee production, as seen from the growing number of coffee shops in various cities.

Additionally, the research by Aureli and Widjaja (2023) also supports that coffee shops have rapidly developed in recent years. This growth reflects the continuously increasing trend in coffee consumption and the shift in consumer preferences towards more diverse and high-quality coffee-drinking experiences.

Entrepreneurial knowledge is closely related to understanding strategies that can ensure business success. This depends on the owner's abilities and the personality traits and characteristics the business owner must possess. An entrepreneur must have knowledge that can create a deep understanding of entrepreneurship, which is essential for developing businesses needed by society. This entrepreneurial knowledge includes how business management can increase income and assets, allowing the company to grow and become widely recognised by the community (Nasrudin et al., 2023).

Social media has had a significant impact on society by facilitating the sharing of information and the search for knowledge. The use of social media is also essential in maintaining relationships within the supply chain, especially in improving post-pandemic performance (Hariyanto & Meile, 2023). Innovation is crucial for entrepreneurial success. Dewi (2017) emphasises that the ability to innovate is one of the main characteristics of a successful entrepreneur. Without innovation, a company will not be able to survive for long because customer needs, desires, and demands are constantly changing. Customers will not always continue using the same product; they will look for alternatives to meet their needs better. Therefore, continuous innovation is necessary for the company to keep running and succeed in its business (Susanto, 2020).

Business success can be assessed through several leading indicators, including business expansion, rising sales figures, asset ownership, and the growth in the number of employees. Individual achievements are significant in determining this success, as high-performing individuals can more easily achieve business success. Business success can also be considered a reflection of individual achievements and a source of confidence when interacting with business partners (Aurel & Widjaja, 2023). Based on the problem formulation outlined earlier, this research aims to determine the influence of several factors on the success of coffee shop SMEs. First, this study aims to determine whether entrepreneurial knowledge impacts the success of coffee shop SMEs. Second, this

research examines whether the use of social media affects the success of coffee shop SMEs. Third, this study seeks to identify whether innovation influences the success of coffee shop SMEs. By understanding these factors, the research is expected to provide deeper insights into the efforts that can be made to enhance the success of coffee shop SMEs.

Entrepreneurship refers to independent efforts undertaken by individuals or groups with the same goals and ideas to create or acquire goods and services and use them to achieve commercial or social objectives (Muniarty et al., 2021). Entrepreneurial knowledge is an important foundation that serves as capital for business growth and success. Indicators of entrepreneurial knowledge can be identified through several aspects, such as: Understanding the type of business that will be initiated or developed, Awareness of the surrounding business environment and its dynamics, Comprehension of the duties and roles within the business context, and Familiarity with principles of business management and organizational structures (Gultom & Agustin, 2021).

Marketing holds a crucial position in fostering entrepreneurial growth. New entrepreneurs must understand basic marketing concepts such as market targeting, segmentation, positioning, branding, and marketing strategies. Marketing training allows young entrepreneurs to learn about consumer behaviour, an important aspect of marketing (Joko et al., 2023).

Social media refers to online platforms such as blogs, social networks, wikis, forums, and virtual communities that enable users to engage, share information, and generate content easily. Social media has significantly impacted society's social life, facilitated the acquisition and dissemination of information and providing positive social and economic benefits (Gultom & Agustine, 2021). However, the findings present contrasting insights. On the one hand, social media has a negative and limited impact on the success of MSMEs, primarily due to the lack of knowledge and skills required for practical use. On the other hand, the research also demonstrates that social media has a positive and significant influence on MSME success, as it is a powerful tool for product promotion and boosting sales (Lorensa & Hidayah, 2022). Thus, the use of social media can be a double-edged sword for SMEs, depending on how well they can optimise this platform for their business interests.

According to Goma (2014), Innovation refers to the implementation of imaginative ideas in practical settings. It often emerges from a high degree of creativity. Creativity is the capacity to introduce novel concepts or approaches into everyday life. Until now, many companies have achieved further development through creativity and innovation. Innovation is tried and tested. On the other hand, this research shows that social media has a positive and significant impact on the success of MSMEs because it is increasingly developing and helping MSMEs in marketing their products and increasing sales (Lorensa & Hidayah, 2022).

## **METHODS**

This research applies a quantitative approach with a number-based survey analysed using statistical methods for data computation. The sampling technique used is simple random sampling, according to the guidelines explained by Sugiyono (2018). The research population consists of SMEs operating in the coffee shop sector in South Kalimantan, with a sample size of 84 SME owners. Data were collected through a survey distributed using Google Drive. This research aims to explore the relationship between independent and dependent variables. Data analysis was conducted using SPSS software version 26, which included several testing stages. First, data quality tests are conducted to assess the research instrument through validity and reliability testing. Second, classical assumption tests are performed to ensure no data deviations, including normality tests and multicollinearity tests. Finally, hypothesis testing is used to examine the influence of independent variables on the dependent variable using partial tests. Each stage of this analysis is designed to ensure the research results are accurate and valid.

The data quality test ensures that the instruments used are reliable, while the classical assumption test ensures that the data meets the basic statistical assumptions required for regression analysis. Hypothesis testing then provides insights into the relationships and influences between the variables studied, offering a strong foundation for drawing conclusions and implications from the findings of this research. Thus, the entire analysis aims to provide a clear and comprehensive picture of the factors influencing the success of coffee shop SMEs

in South Kalimantan.

## RESULTS AND DISCUSSION

### Data Description

**Table 1. Detailed Data on the Distribution and Return of Questionnaires**

No.	Description	Total	Percentage
1	Distributed Questionnaires	100	100%
2	Returned Questionnaires	84	84%
3	Usable Questionnaires	84	84%

Source: Data Processed (2024)

It was explained that the response rate of the questionnaires for MSMEs in Coffee Shops in South Kalimantan was 84%, with a total of 100 distributed questionnaires. The processable questionnaire data was 84%.

### Data Quality Test

#### Validity Test

**Table 2. Validity Test**

No.	Variable	Questionnaire Item	Calculated r	r table	Description
1	Entrepreneurial Knowledge	X1.1	0,834	0,1807	Valid
2		X1.2	0,889	0,1807	
3		X1.3	0,908	0,1807	
4		X1.4	0,877	0,1807	
5		X1.5	0,859	0,1807	
6	Social Media	X2.1	0,820	0,1807	Valid
7		X2.2	0,796	0,1807	
8		X2.3	0,805	0,1807	
9		X2.4	0,834	0,1807	
10		X2.5	0,801	0,1807	
11	Innovation	X3.1	0,868	0,1807	Valid
12		X3.2	0,863	0,1807	
13		X3.3	0,786	0,1807	
14		X3.4	0,773	0,1807	
15		X3.5	0,840	0,1807	
16	MSME Success	Y1.1	0,822	0,1807	Valid
17		Y1.2	0,718	0,1807	
18		Y1.3	0,871	0,1807	
19		Y1.4	0,732	0,1807	
20		Y1.5	0,766	0,1807	

Source: Data Processed (2024)

Showing the variables of Entrepreneurial Knowledge, Social Media, Innovation, and MSME Success for each statement item has valid criteria with  $r_{hitung} > r_{table}$  (0.1807). This test indicates that all statement indicators used in the research can reveal the variables measured in the questionnaire.

## Reliability Test

**Table 3. Reliability Test**

No.	Variable	Cronbach's Alpha	Description
1.	Entrepreneurial Knowledge	0,922	Reliable
2.	Social Media	0,867	
3.	Innovation	0,883	
4.	MSME Success	0,839	

Source: Data Processed (2024)

The Cronbach's Alpha value for the Entrepreneurship Knowledge variable is recorded at 0.922, the Social Media variable at 0.867, the Innovation variable at 0.883, and the MSME Success variable at 0.839. These figures indicate that all items in the research questionnaire have excellent reliability, considering that Cronbach's Alpha value exceeds the threshold of 0.6. This high reliability ensures the consistency of the obtained data. Therefore, if the same items are presented again, the answers received will tend to be consistent with the previous answers, affirming the reliability of the instrument used in this research.

## Classical Assumption Test

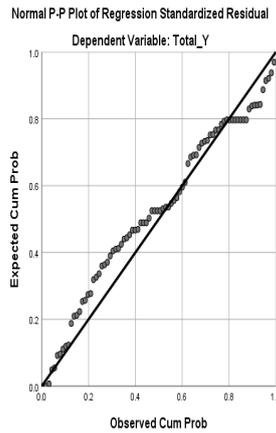
### Normality Test

**Table 4. Normality Test**

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		84
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.67604286
Most Extreme Differences	Absolute	.107
	Positive	.093
	Negative	-.107
Test Statistic		.107
Asymp. Sig. (2-tailed)		.270 <sup>c</sup>

Source: Data Processed (2024)

Based on the results of the normality test shown in Table 8, the significance value for the Asymp. Sig. (2-tailed) bias is 0.270. This indicates that the regression model can be considered normal because its significance level exceeds 0.05. Here is the probability plot.



Source: Data Processed (2024)

**Figure 1. Probability**

The standard probability plot shows that the data points are distributed around and follow the diagonal line, indicating that the data tends to follow a normal distribution. This pattern confirms that the data is regular and consistent with the standard distribution assumption in statistical analysis.

**Heteroscedasticity Test**

**Table 5. Heteroscedasticity Test**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.405	1.409		.287	.775
	Entrepreneurial Knowledge	.054	.075	.104	.716	.476
	Social Media	-.092	.090	-.173	-1.024	.309
	Innovation	.107	.097	.194	1.102	.274

Source: Data Processed (2024)

The significant values for the Entrepreneurship Knowledge variable are 0.476, for Social Media, 0.309, and for Innovation, 0.274, all of which have Sig values > 0.05. Based on these values, there is no heteroscedasticity in the entrepreneurial knowledge, social media, and innovation variables.

## Multicollinearity Test

**Table 6. Multicollinearity Test**

Coefficients				
No.	Model	Tolerance	VIF	Description
1	Entrepreneurial Knowledge	0.574	1.741	Free from Multicollinearity
2	Social Media	0,425	2.351	
3	Innovation	0,390	2.567	

Source: Data Processed (2024)

It shows that Entrepreneurial Knowledge, Social Media, and Innovation variables have tolerance values of 0.574, 0.425, and 0.390, respectively. The VIF values for Entrepreneurial Knowledge, Social Media, and Innovation variables are 1.741, 2.351, and 2.567. The acquisition of these values from the test results indicates that the independent variables have tolerance values  $> 0.10$  and  $VIF < 10$ . This condition means there is no correlation between the independent variables, making them suitable.

## Multiple Linear Regression Analysis

**Table 7. Multiple Linear Regression Analysis**

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5.586	1.993		2.803	.006		
	TOTAL X1	.140	.106	.149	1.322	.190	.574	1.741
	TOTAL X2	.261	.127	.270	2.061	.043	.425	2.351

Source: Data Processed (2024)

A multiple linear regression equation can be created as follows.

$$Y = 5.586 + 0,140 X_1 + 0,261 X_2 + 0,307X_3 + \varepsilon$$

The regression coefficient on the entrepreneurial knowledge system variable has a significance value greater than 0.05. This contrasts with the Social Media and Innovation variables, which have a significant influence with a significance value  $< 0.05$ . These results indicate that the variables that do not impact the success of MSMEs namely entrepreneurial knowledge. In contrast, the variables that influence the success of MSMEs are social media and innovation. Explanation regarding the multiple linear regression model, namely:

- a. The constant value of 5.586 means that if the variables of Entrepreneurial Knowledge, Social Media, and Innovation are assumed to be zero (0), then the Success of MSMEs is valued at 5.586.
- b. The regression coefficient for Entrepreneurial Knowledge is negative 0.140. This means that if entrepreneurial knowledge is increased, it will reduce the success of MSMEs by 0.140, assuming the variables of social media and innovation are constant or zero.
- c. The regression coefficient for Social Media is positive 0.261, which means that if the Social Media variable increases, the success of SMEs increases by 0.261, if the variables of Entrepreneurial Knowledge and Innovation remain constant or zero.
- d. The Innovation regression coefficient is positive 0.307, which means that if the Innovation variable increases, the success of MSMEs increases by 0.307, assuming the Entrepreneurship Knowledge and Social Media variables are constant or zero.

**Hypothesis Test**

**Coefficient of Determination Test**

**Table 8. Coefficient of Determination Test**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.646 <sup>a</sup>	.417	.395	2.799

Source: Data Processed (2024)

This indicates that the Adjusted R Square produced by the regression model is 0.395, from the independent to the dependent variable. This condition can be interpreted as the level of credit provision represented by entrepreneurial knowledge, social media, and innovation, at 39.5%. In comparison, 60.5% is the contribution from other variables not discussed in this study.

**t-test (Partial Test)**

**Table 9. t-test**

		Coefficients <sup>a</sup>						
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	5.586	1.993		2.803	.006		
	TOTAL X1	.140	.106	.149	1.322	.190	.574	1.741
	TOTAL X2	.261	.127	.270	2.061	.043	.425	2.351
	TOTAL X3	.307	.137	.307	2.245	.028	.390	2.567

Source: Data Processed (2024)

The hypothesis testing results, with a t-table value of 1.990063 at a 0.05 significance level and degrees of freedom (df) = 80, show that the first hypothesis (H1) is rejected. This is because the significance value for entrepreneurial knowledge is 0.261, greater than 0.05, and the t-count is 1.322, which is less than the t-table, indicating no significant influence on the success of MSMEs. In contrast, the second hypothesis (H2) is accepted, as the significance value for social media is 0.043, less than 0.05, and the t-count of 2.061 exceeds the t-table, indicating a positive and significant effect on MSME success. Similarly, the third hypothesis (H3) is also accepted, with a significance value of 0.028 and a t-count of 2.245, confirming that innovation positively and significantly influences the success of MSMEs.

The multiple linear regression analysis results indicate that the variable Entrepreneurial Knowledge (X1) has a significance value of 0.190, greater than 0.05. This result suggests that Entrepreneurial Knowledge does not significantly influence the success of MSMEs. This condition implies that although entrepreneurial knowledge is essential as a foundation before starting a business, it does not necessarily determine the success of MSMEs. Entrepreneurial knowledge allows individuals to understand what needs to be prepared and how to operate an MSME, but knowledge alone is insufficient.

Entrepreneurial knowledge refers to information related to entrepreneurship or MSMEs that can be used to manage a business. However, a broad understanding of entrepreneurship alone will not enhance business success, because what truly contributes to success is the entrepreneur's skills, particularly in devising various strategies to increase sales. Meanwhile, Gohae (2021) also

found that entrepreneurial knowledge does not significantly affect business success, as trends drive many MSMEs, and the business owners often lack sufficient entrepreneurial expertise in the field.

The multiple linear regression analysis results show that the variable Social Media (X2) has a significance value of 0.043, which is less than 0.05. This indicates that social media influences the success of MSMEs. This is evident because many MSMEs have not yet utilised social media as a platform to promote their products.

Social media is used as a support for businesses being developed. The broader the use of social media as a promotional platform or to introduce products to the public precisely and adequately, the wider the business reach becomes, without the need for direct, in-person promotion. By using social media, more people can become interested in our products, increasing sales. In addition, social media facilitates easy online transactions. However, research findings also show that social media has a negative and insignificant effect on the success of MSMEs due to the lack of knowledge and skills in using social media (Aurel & Widjaja, 2023).

The multiple linear regression analysis results show that the variable Innovation (X3) has a significance value of 0.028, which is less than 0.05. This indicates that innovation influences the success of MSMEs. The more innovation is improved, the more interest buyers will have in the products, thus supporting business success. Innovation, such as launching new products or packaging that differs from others, can attract more customers, making innovation an essential factor in the success of MSMEs.

Innovation is significant in a business, especially for MSMEs, because with the high level of competition, companies must be able to offer different products or services compared to competitors. Innovation can provide added value and meet consumer expectations, significantly affecting business success. Innovation has been proven to have a positive and significant effect on business success because it enables the creation of various product designs and increases the utility of a product, thereby expanding consumer choices and ultimately enhancing product quality by customer expectations (Widjaja et al., 2022).

## **CONCLUSION**

The results of Entrepreneurial Knowledge do not affect the success of MSMEs. This condition means that even though there is entrepreneurial knowledge, without initiative in promoting and innovating products, it will not affect the success of MSMEs. Social Media also influences the success of MSMEs. This condition means that the use of social media can enhance business success. Innovation affects the success of MSMEs. This condition means that the more innovations in MSME products, the more the success of MSMEs will increase.

The findings imply that policymakers and business development programs should focus on enhancing entrepreneurial knowledge and emphasise the importance of applying that knowledge through active innovation and digital marketing strategies. Training programs should incorporate practical components that stimulate creativity and the use of digital platforms. Furthermore, MSME actors are encouraged to adopt a mindset of continuous innovation and to embrace social media as a vital business tool in the digital economy.

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