



Strategies for improving the performance of embroidery craft businesses in the digital era

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ABSTRACT

This study aims to examine the effect of information technology and entrepreneurial characteristics on business performance and determine the mediating effect of entrepreneurial behavior in selling online. novelty in this study is the variable of entrepreneurial behavior in selling online which is based on the merger of 2 theories, namely TAM theory and Sales Process / Behaviour theory. Sampling using non-probability samples with purposive sampling, the research was conducted on embroidery business actors in Pasuruan Regency, Indonesia, by taking 180 samples, WarpPLS was used as an analytical tool to process data. The results showed that information technology and entrepreneurial behavior in selling online have a significant positive effect on business performance while entrepreneurial characteristics have no effect on business performance. Information technology and entrepreneurial characteristics have a significant effect on entrepreneurial behavior in selling online. and entrepreneurial behavior in selling online is able to mediate information technology and entrepreneurial characteristics on business performance. Digital activities as a selling medium for embroidery business actors in Pasuruan Regency are new to business actors, this research expands the view of activities in selling online and increases the literature on entrepreneurship, besides that it can be useful for MSMEs to improve business performance, and encourage related parties to support MSMEs in Indonesia to be able to improve their skills in selling online, because the results of the study show that entrepreneurial behavior in selling is able to improve business performance.

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1. INTRODUCTION

Indonesian MSEs are the pillars of the national economy. Based on data from the Ministry of Cooperatives and Small and Medium Enterprises, the number of MSMEs in Indonesia amounted to 64.2 million in 2021, with a contribution to GDP of 61.07%. Embroidery MSMEs are one of the mainstays and have even become an icon of Pasuruan Regency. embroidery centers in Pasuruan Regency, East Java receive full support from the Pasuruan Regency Government, including introducing Bangil District nationally as a city of embroidery centers or what is known as Bangkudir (Bangil Kota Bordir). Bangkudir itself was launched on September 11, 2005 by the Pasuruan Regent and accompanied by breaking the MURI National Record with a 1 KM street fashion show, establishing an embroidery

center building strategically located on the Surabaya-Bali national road, conducting policies related to entrepreneur assistance through the Satriya Emas program, introducing embroidery products to the national level through exhibition activities held in various provinces in Indonesia. According to (Gray & Sanzogni, 2004) government support is a key component to accelerate the growth of e-commerce entrepreneurs in Thailand. However, the role of the Pasuruan District Government has not been able to improve the performance of embroidery businesses in Pasuruan District, according to ASPENDIR (Embroidery Entrepreneurs Association) the number of ASPENDIR members has decreased from 100 members to 40 members, meaning that there is a decrease in the performance of embroidery businesses that make them have to close their business. Another phenomenon related to the decline in the community to be involved in the embroidery business, they are more interested in working in companies located in the industrial area of Pasuruan Industrial Estate Rembang (PIER). So from the above problems, it can be seen that the focus of study of this research is how the business performance of embroidery business actors remains optimal in the current digital era.

According to (Tang et al., 2008) to measure business performance, *financial performance* is used which consists of: *sales growth rate, market share, profit growth rate before tax, and overall performance*, in measuring performance, profit is not the only aspect to measure business success, (Tang et al., 2008) mention there are several dimensions that can be used to measure performance, including: quality, time, flexibility, finance, customer satisfaction and Human Resources.

Meanwhile, according to (Venkatraman & Ramanujam, 1986), measuring performance through *market performance* is measured through *market share, sales growth, market development and product development*. There are several factors that affect business (Al-Gahtani, 2001) performance, including information technology. Embroidery business actors who easily use information technology (*online selling sites and social media*) in selling will receive the benefits of using these applications, which will have an impact on increasing their business performance. Information technology innovation and the use of computer and information technology have a significant effect on *SME performance*.

In previous studies, there have been many studies that use the variables of *e-business adoption, e-marketing capabilities, marketing capabilities, etc.*, but there has been no research using the variable of entrepreneurial behavior in selling online, which in this study is a novelty, because in this study the variable of entrepreneurial behavior in selling online is based on 2 theories, namely: the first Modification of the TAM Model by states that acceptance / acceptance, namely where embroidery business actors have the desire to continue using online selling media and the intensity of using online media is getting higher. Second, based on the *Sales Process / behavior* theory, the *sales process* is a series of stages that the sales team must carry out to convert potential buyers into customers who make purchases (Ustüner & Godes, 2006), while the indicators of the *sales process* are *understanding the customer, approach, needs discovery, presentation, close, follow-up* (Andzulis et al., 2012).

Based on the description above, the research objectives in this study are to examine the effect of information technology and entrepreneurial characteristics on business performance, to examine the effect of information technology and entrepreneurial characteristics on Entrepreneurial Behavior in Selling Online (PWDBO), to examine the effect of PWDBO on business performance and determine the mediating effect of entrepreneurial behavior in selling online.

2. RESEARCH METHOD

Information Technology on Business Performance

Company performance can be seen from the level of sales, profit level, return on capital, turnover rate and market share achieved (Glueck & Jauch, 1980), (Hudson et al., 2001) mention the dimensions used to measure performance: Quality, time, flexibility, finance, customer satisfaction, and human resources. To measure business performance, financial performance is used which consists of: sales growth rate, market share, profit growth rate before tax, and overall performance (Tang et al., 2008). Market performance is measured through market share, sales growth, market development and product development (Venkatraman & Ramanujam, 1986).

Behavioral intention to use the system is determined by two beliefs, namely: perceived usefulness and perceived ease of use or known as TAM (Technology Acceptance Model) (Venkatesh & Davis, 2000). Information technology is able to improve performance by reducing operational costs, differentiating products and services, increasing market share (Wiseman, 1988), IT investment has a significant effect on business growth (Lee et al., 2016), ICT utilization has a significant effect on performance (Raymond et al., 1995); (Azam, 2015); (Chege et al., 2019). Based on the results of theoretical studies and empirical studies, the first hypothesis is:

H1: information technology has a significant effect on business performance.

Entrepreneurial Characteristics on Business Performance

(Scarborough & Zimmerer, 1996) call the characteristics of entrepreneurship consists of: desire for responsibility, preference for moderate risk, Confidence in their ability to succeed, Desire for immediate feedback, High level of energy, Future orientation, skill at organizing, value of achievement over money. According to entrepreneurial characteristics consist of: self-confidence, task and result oriented, risk takers, leadership, originality and future orientation. Some literature states that entrepreneurial competence is a strong determinant of SME business success. Entrepreneurship orientation has a significant effect on organizational performance. Entrepreneur skills and entrepreneurial competencies have a significant effect on enterprise performance. Risk taking, and self-efficacy have a significant effect on SME performance. (Nusron et al., 2022) Based on the results of empirical studies, the second hypothesis is:

H2: entrepreneurial characteristics have a significant effect on business performance

Information Technology on Entrepreneurial Behavior in Selling Online

According to (Martin et al., 2005) information technology is a technology that combines computers and high-speed communications that carry data, voice and video. To benefit from the adoption of information and computer technology, organizations must provide infrastructure and hire skilled personnel in order to gain opportunities (Manochehri et al., 2012). The results of empirical studies show that E-commerce resources have a significant effect on marketing capabilities (G. D. Gregory et al., 2019). Based on the results of theoretical studies and empirical studies, the third hypothesis is:

H3: Information technology has a significant effect on entrepreneurial behavior selling online

Entrepreneurial Characteristics on Entrepreneurial Behavior in Selling Online (PWDBO)

Entrepreneurial behavior in selling online is closely related to how businesses can accept changes in consumer behavior from making offline purchases to making online purchases. (Thong & Yap, 1995) mentioned that individual characteristics and organizational characteristics affect the adoption of information technology in small businesses. The empirical study states that Achievement orientation has a significant effect on the successful use of e-commerce, Locus of control has a significant effect on the successful use of e-commerce. Based on the results of empirical studies, the fourth hypothesis of this study is as follows:

H4: entrepreneurial characteristics have a significant effect on entrepreneurial behavior in selling online

The Effect of Entrepreneurial Behavior in Selling Online on Business Performance

The variable of entrepreneurial behavior in selling online refers to digital marketing, which is related to the use of internet media in carrying out marketing activities, according to (Chaffey et al., 2009). Entrepreneurial behavior in selling online is based on 2 theories, the first Modification of the TAM Model by (Al-Gahtani, 2001) states that acceptance, namely where embroidery business actors have the desire to continue using online selling media and the intensity of using online media is getting higher. Second, based on the Sales Process / behavior theory, the sales process is a series of stages that the sales team must carry out to convert potential buyers into customers who make purchases (Ustüner

& Godes, 2006), while the indicators of the sales process are understanding the customer, approach, needs discovery, presentation, close, follow-up (Andzulis et al., 2012).

Social media is a potential tool to strategically assist SMEs in creating better brand awareness, better relationships with customers and increasing sales (Ahmad et al., 2018). Based on the results of theoretical and empirical studies, the fifth hypothesis of this study is:

H5: Entrepreneurial behavior in selling online has a significant effect on business performance.

The Effect of Information Technology on Business Performance with Mediation of Entrepreneurial Behavior in Selling Online.

The availability of social media and market places can facilitate the distribution process, promotion at a low price and can be quickly reached by consumers (Kartajaya et al., 2019). Companies that use wireless contribute significantly to business growth (Lee et al., 2016). The existence of this research gap is filled with entrepreneurial behavior variables in selling online, because the results of empirical studies state that the use of CRM technology has a significant positive effect on marketing capabilities (Chang et al., 2010) and the use of social media has a significant effect on relationship sales performance, Based on this study, the sixth hypothesis is:

H6 : Entrepreneurial behavior in selling online is able to mediate the effect of information technology on business performance.

The Effect of Entrepreneurial Characteristics on Business Performance with Mediation of Entrepreneurial Behavior in Selling Online

Entrepreneurial characteristics can be seen from various aspects of personality, such as a person's soul, character, attitude and behavior. Social media technology can increase the effectiveness of the company's sales force by building better relationships between customers and companies (Ustüner & Godes, 2006). The results of empirical studies of the effect of entrepreneurial characteristics on business performance with mediation of entrepreneurial behavior in selling online include: Need for achievement, experience, number of partners have a significant effect on venture growth, risk taking, and self-efficacy have a significant effect on SME performance, while need for achievement and experience have no significant effect on SME performance. entrepreneurial competence, relatedness, and autonomy have a significant effect on the motivation of entrepreneurs to adopt e-commerce. Based on the results of the study above, the seventh research hypothesis is:

Hypothesis 7: Entrepreneurial behavior in online selling is able to mediate the effect of entrepreneurial characteristics on business performance.

Method

The research conducted is a positivistic / quantitative research, a method based on positivism philosophy, also fulfills scientific rules that are concrete / empirical, objective, measurable, rational and systematic. The use of this method is expected to be able to explain and discuss the research results thoroughly and provide a better understanding for all parties concerned with this research.

According to data from Disperindag, 855 businesses / embroidery craftsmen, but based on the results of interviews mention that not all embroidery businesses / embroidery craftsmen sell their products directly to consumers, they are only as embroidery craftsmen. For this reason, the population in this study are all business actors who sell embroidery products and actively use online media as a marketing tool, the number of which is not known with certainty. sample selection using non-probability sample selection, using purposive sampling based on consideration, namely sample selection using certain considerations, as for the criteria in determining the sample in this study are as follows:

Business behavior that sells embroidery products for at least 2 years

Business actors who conduct their sales activities using online media (social media or marketplace)

In the last 1 year, actively using smartphones to support marketing activities.

The data collection technique in this study used a questionnaire, from the questionnaires distributed there were 180 questionnaires that met the predetermined requirements, so in this study the number of questionnaires was 180 respondents. And the data analysis method used is Partial Least Square (PLS), with the data calculation process through the help of the WarpPLS 6.0 software application.

3. RESULTS AND DISCUSSIONS

Table 1. Respondent Identity

Description	Freq	%	Total (%)
Gender			
Male	36	20,00	20,00
Female	144	80,00	100
Age			
< 21	6	3,33	3,33
21 - 30	64	35,56	38,89
31- 40	63	35,00	73,89
41- 50	32	17,78	91,67
>50	15	8,33	100
Educational Background			
Bachelor	41	22,78	22,78
Senior High School	9	5,00	27,78
Junior High School	21	11,67	39,45
Primary School	9	60,55	100
Length of time selling online			
< 2	49	27,22	27,22
2 - 5	65	36,11	63,33
6 - 10	42	23,33	86,66
11 - 15	12	6,67	93,33
>15	12	6,67	100
Length of time in business Embroidery Products			
2 - 5	92	51,11	51,11
6 - 10	42	23,33	74,44
11 - 20	37	20,56	95,00
>20	9	5,00	100

Convergent Validity

Measurement of convergent validity can be measured by looking at the AVE (Average Variance Extracted) value, the criteria are the AVE value > 0.5 (Solimun et al., 2017).

Table 2. Average Variance Extracted

Variables	AVE Value
Information Technology	0,54
Characteristics of Entrepreneurship	0,508
Entrepreneurial behavior in selling online	0,514
Business Performance	0,601

Based on Table 2, it can be seen that the AVE value of the information technology variable is 0.54, the AVE value of entrepreneurial characteristics is 0.508, entrepreneurial behavior in selling is 0.514, and the business performance variable is 0.601. Of all the variables have an AVE value above 0.5, it can be concluded that all research variables meet the requirements of convergent validity.

Discriminant validity

The method to see the discriminant validity of all indicators together (questionnaire) can be seen by comparing the square root value of average variance extracted (AVEs) of each latent variable with the correlation between the latent variable concerned and other latent variables, if the AVEs of

the variable concerned are greater than other latent variables, then discriminant validity is met (Solimun et al., 2017).

Table 3. AVEs

Variables	IT	EC	EBISO	BP
IT	0.735	0.368	0.463	0.558
EC	0.368	0.712	0.580	0.374
EBISO	0.463	0.580	0.717	0.576
BP	0.558	0.374	0.576	0.776

Note :

IT : Information Technology; EC : Entrepreneurial Characteristic; EBISO : Entrepreneurial Behavior in Selling Online; BP : Business Performance

Based on the AVEs table, the AVEs value of the correlation of information technology variables of 0.735 has the AVEs value of other latent variables, the AVEs value of the correlation of entrepreneurial characteristics of 0.712 has the AVEs value of other latent variables, the AVEs value of the correlation of entrepreneurial behavior in selling online of 0.717 has the AVEs value of other latent variables and the AVEs value of the correlation of performance of 0.776 has the AVEs value of other latent variables, so the discriminant validity of all variables in this study is met.

Composite reliability and Cronbach's alpha

A questionnaire is said to have good composite reliability if the composite reliability value is > 0.70, and if the Cronbach's alpha value exceeds 0.60, then the questions in the variable are reliable.

Table 4. Composite reliability and Cronbach's alpha

Reliability Analysis	IT	EC	EBISO	BP	Cutt off	Description
Composite reliability	0.875	0.951	0.937	0.900	> 0,70	Reliable
Cronbach's alpha	0.828	0.946	0.927	0.866	> 0,60	Reliable

Based on table 4, it is known that the composite reliability value of each information technology variable is 0.875, entrepreneurial characteristics are 0.951, entrepreneurial behavior in selling online is 0.937 and performance is 0.900, having a value above 0.70. And the Cronbach alpha value of information technology variables is 0.828, entrepreneurial characteristics are 0.946, entrepreneurial behavior in selling online is 0.927 and performance is 0.866. All research variables have a Cronbach's alpha value above 0.60, meaning that the questionnaire used is reliable.

Hypothesis Test Results

The relationship between variables and the results of hypothesis testing can be seen in the following figure and table of relationships between variables:

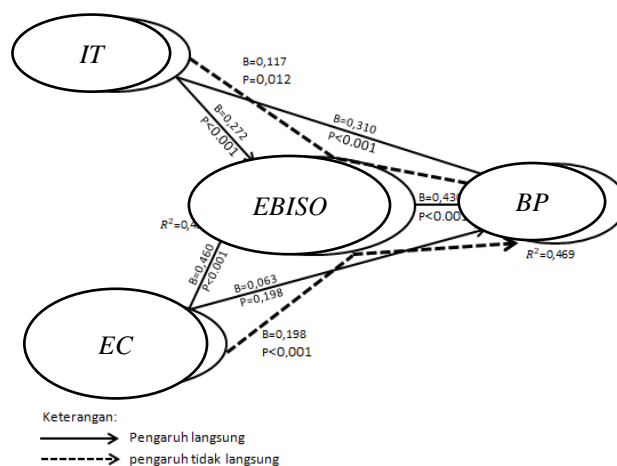


Figure 2. Inter-variable relationship values

Note :

IT : Information Technology; EC : Entrepreneurial Characteristic; EBISO : Entrepreneurial Behavior in Selling Online; BP : Business Performance

Table 5. Relationship between variables and Rsquare

	B	p value	R ²	Description
Direct Effect:				
IT - BP	0,31	< 0,001		H1 Accepted
EC - BP	0,063	0,198		H2 Rejected
IT - EBISO	0,272	< 0,001		H3 Accepted
EC - EBISO	0,46	< 0,001		H4 Accepted
EBISO - BP	0,43	< 0,001		H5 Accepted
Indirect influence:				
IT – EBISO - BP	0,117	0,012		H6 Accepted
EC – EBISO - BP	0,198	< 0,001		H7 Accepted
Endogenous Variable:				
Business Performance			0,469	
Entrepreneurial Behavior in Selling Online			0,404	

Based on table 5, it can be seen that the effect of information technology on performance has a β value of 0.31 with $p < 0.001$ (below 0.05), so Hypothesis 1 is accepted. The effect of entrepreneurial characteristics on performance has a β value of 0.063 with p 0.198 (above 0.05), so hypothesis 2 is rejected. The effect of information technology on PWDBO has a β value of 0.272 with $p < 0.001$, so hypothesis 3 is accepted. The effect of entrepreneurial characteristics on PWDBO has a β value of 0.46 with $p < 0.001$, then hypothesis 4 is accepted. the effect of PWDBO on performance has a β value of 0.43 with $p < 0.001$, then hypothesis 5 is accepted. The results of the indirect effect hypothesis test show that the effect of information technology on performance with PWDBO mediation has a β value of 0.117 with p 0.012, so hypothesis 6 is accepted, meaning that entrepreneurial behavior in selling online can partially mediate the effect of information technology on performance. And the effect of entrepreneurial characteristics on performance with PWDBO mediation has a β value of 0.198 with $p < 0.001$, then hypothesis 7 is accepted, meaning that entrepreneurial behavior in selling online fully mediates the effect of entrepreneurial characteristics on performance.

The R-squared value of the performance variable is 0.469, meaning that the contribution of the influence of information technology variables, entrepreneurial characteristics and entrepreneurial behavior in selling online on performance is 46.9%. The R-squared value of the Entrepreneurial

Behavior variable in selling online is 0.404, meaning that the contribution of the influence of information technology variables and entrepreneurial characteristics to entrepreneurial behavior in selling online is 40.4%. The effect of information technology on business performance has a direct effect of 0.31 (medium), an indirect effect of 0.117 (medium) and a total effect of 0.427 (large). While the effect of entrepreneurial characteristics on business performance has a direct effect of 0.063 (weak), indirect effect of 0.198 (medium), and a total effect of 0.26 (medium). So the effect of information technology on business performance is greater than the effect of entrepreneurial characteristics on business performance, based on respondent identity data it is known that all respondents have smartphones and they actively use smartphones as a means to sell online.

Discussion and Implications

The results of hypothesis 1 show that information technology on business performance shows a significant positive effect, this indicates that the efforts of embroidery business actors to improve performance can be done by increasing their ability to use information technology properly, because information technology investment will increase business growth (Lee et al., 2016). For entrepreneurs who are accustomed to using information technology as a support for selling activities, they receive the benefits, because optimal IT implementation will improve organizational performance (Raymond et al., 1995) The readiness of MSMEs (Micro, Small and Medium Enterprises) in anticipating changes in information technology affects their business performance (Venkatesh & Davis, 2000).

The results of hypothesis 2 show that there is no effect of entrepreneurial characteristics on business performance. Based on the results of the interview, it shows that so far embroidery business actors have made innovations, but these innovations are more focused on product innovation, many of the business actors have not made marketing innovations, marketing innovations, especially online marketing must be done, because current consumer shopping patterns have shifted from offline to online shopping. From the respondent's identity data, it can be seen that one of the reasons marketing innovation has not been carried out is because the respondent's educational background is at the undergraduate level, 41 or 22.78%, and the remaining 77.22 have an elementary to vocational / high school educational background, this is what makes the characteristics of entrepreneurship cannot be carried out optimally, because on average entrepreneurs are more successful in countries or regions with higher levels of education (Lucas Jr, 1978); (Van Praag & van Stel, 2013).

The results of hypothesis 3 show that information technology has a significant positive effect on entrepreneurial behavior in selling online, because the more e-commerce assets the company develops, the greater the degree of adaptation to online promotion, communication efficiency, distribution efficiency, distribution support, and price competitiveness (G. Gregory et al., 2007).

The results of hypothesis 3 show that information technology has a significant positive effect on entrepreneurial behavior in selling online, the results of this study are in accordance with the theory of (Al-Gahtani, 2001). If the ease of using technology and the perceived benefits are also very high, Behavioral Intention to Use will appear. Behavioral Intention to Use means the behavioral tendency to use a certain technology, so that it becomes a behavioral tendency to continue using a certain technology which can be seen by increasing the frequency of intensity of using the technology, this is what is called the acceptance phase.

The results of the 4th hypothesis of entrepreneurial characteristics have a significant positive effect on entrepreneurial behavior in selling online, all strategic decisions, such as the adoption of online selling behavior, are highly dependent on the character possessed by embroidery business actors. The reason why entrepreneurial characteristics have a significant effect on PWDBO can be seen from the respondent identity table, it can be seen that the age of the respondent is 17-40 years old, 133 respondents or 73.89%.

The results of the 5th hypothesis of the effect of entrepreneurial behavior in selling online on business performance show a significant positive effect. The results of these studies have confirmed that using electronic devices and adopting electronic functions such as e-marketing (Chong et al., 2018)

and e-business (Soto-Acosta et al., 2016), e-commerce can reduce information search costs, transaction costs and business process time to achieve greater efficiency (Astuti & Nasution, 2014).

The results of hypothesis 6 show that online selling entrepreneurial behavior is able to partially mediate the effect of information technology on business performance. Studies have confirmed that using electronic devices and adopting electronic functions such as e-marketing (Chong et al., 2018) and e-business (Soto-Acosta et al., 2016) can have a positive influence on business performance. However, the results of the above studies show that the effect of information technology on performance directly has a greater effect than the indirect effect.

The results of hypothesis 7 test prove that online selling entrepreneurial behavior is able to fully mediate entrepreneurial characteristics on business performance. The interview results stated that when opening an embroidery business, they did not have high skills and knowledge of the business to be undertaken, some business actors continued the business of parents or relatives. The drive to become an entrepreneur who has a strong character is not directly born, but is built through various things, entrepreneurs are not born-they develop. The effect of entrepreneurial characteristics on performance through PWDBO is greater than the direct effect. The results of the interview mentioned that most of the innovations made by embroidery business actors are only in product development, they have not carried out innovation and creativity activities in sales or promotion. This study has confirmed that using electronic devices and adopting electronic functions such as e-marketing (Chong et al., 2018) and e-business (Soto-Acosta et al., 2016) can have a positive influence on business performance. For example, e-commerce can reduce information search costs, transaction costs and business process time to achieve greater efficiency (Astuti & Nasution, 2014).

Theoretical and Practical Implications

This study produces a final model framework based on the results of the analysis of empirical studies, emphasizing that there are inconsistencies in empirical studies of the effect of information technology on business performance, based on previous research which states that there is a significant effect of information technology variables on business performance (Raymond et al., 1995). But on the other hand, there is previous research that shows information technology has no effect on business performance (Franco & Garcia, 2018); (Azam, 2015), thus encouraging entrepreneurial behavior in selling online (PWDBO) to fill the gap, because the results of previous research state that information technology affects business performance and PWDBO affects business performance.

Entrepreneurial behavior in online selling is able to mediate the relationship between information technology and business performance as partial mediation and also the relationship between entrepreneurial characteristics and business performance as full mediation. Based on all predictors used, entrepreneurial behavior in online selling is the largest predictor, followed by information technology and entrepreneurial characteristics.

The results of this study contribute to the theory put forward (Ustüner & Godes, 2006) Social media technology can increase the effectiveness of the company's sales force. Business actors must improve their ability to sell online, they not only share their products, but there are stages of the online sales process that must be done (entrepreneurial behavior in selling online), in the sales process there is a sequence that must be done. Starting from how business actors are able to know what consumers want to how to build good relationships with consumers.

The results showed that the entrepreneurial behavior of selling online is reflected most highly in the presentation and close indicators. Presentation means that embroidery business actors must have soft skills in creating interesting content. When the uploaded content is interesting, it will have an impact on the increase in people seeing their content, which will have an impact on increasing traffict. In selling online, in addition to creating interesting content, business actors or MSMEs must be able to take responsibility for what they are promoting, meaning that the goods they promote in the content must match the actual product, when making close business actors must have a high commitment to the initial agreement. This will have an impact on customer loyalty which will also affect the performance of their business.

Based on the identity of the respondents, it can be seen that there are still many respondents who have not utilized information technology optimally, this is evidenced by the fact that there are still many respondents who only rely on WhatsApp social media as their selling media, while other social media, such as: Facebook, Tiktok, Instagram have not been used as online selling media. Business actors still do not maximize the use of market places.

4. CONCLUSION

The results of this study state that information technology and entrepreneurial behavior in selling affect business performance, while entrepreneurial characteristics have no effect on business performance. Furthermore, information technology and entrepreneurial characteristics affect entrepreneurial behavior in selling online. For indirect effects, online selling entrepreneurial behavior partially mediates the effect of information technology on business performance, and online selling entrepreneurial behavior fully mediates the effect of entrepreneurial characteristics on business performance. The results of this study contribute to science, especially the theory by (Ustüner & Godes, 2006) which states that the existence of social media can improve the relationship between consumers and sellers which will impact on business performance that can be achieved optimally.

This research has limitations, including: This research only focuses on entrepreneurs who sell embroidery products in fifteen sub-districts in Pasuruan Regency. Generalization of results is limited to the scope of the object of research, this study focuses on entrepreneurs whose one of the products sold is embroidery products, in fact the development of fashion products is very developed (for example: shoes, hats, bags, pants, etc.). This study did not identify the differentiation of test results on other variations of the fashion industry.

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