

ABSTRACT

Digital business transformation is an effective business strategy and also receives attention because companies are challenged to continue to improve their business practices and capabilities. The use of digital technology can reduce the influence of external crises and can make major changes in a business operation by implementing good business and according to procedures. In addition, digital technology can affect the sustainability of the company's economic and social values and can improve socioeconomic conditions in a region. There are several studies on technology can empower companies at different phases of growth and sustainability; Furthermore, very little research is available that determines how to adopt modern digital technologies to create value for Small and Medium Enterprises (SME). With the support of Resource-Based View (RBV) and Dynamic Capability View (DCV) theories, as well as literature review, theoretical models have been developed.

This study uses quantitative research methods, the sample collection process in this study uses non-probability sampling techniques. The non-probability technique used, namely purposive sampling, is a sample selection technique carried out with the understanding that the necessary information can be possessed through certain samples that meet the specified criteria, namely SME Café employees. And this research was validated using the PLS-SEM technique by considering 297 respondents who were employees of MSME Café in Bandung City.

Data collection techniques are carried out by distributing questionnaires using google forms and SPSS 25.0 as validity and reliability testing tools and data results are processed using SmartPLS 3.0 software. This study aims to determine the influence of digital technology adoption and value creation on SME Performance in café SME in Bandung City.

The findings show that adopting digital technology has several significant impacts on economic value creation and social value for MSMEs. The study also found that social value has a better role and is significantly better than economic value.

Keywords: digital technology; entrepreneurship; economic and social value; SME Performance