

Digital Literacy and Business Networks on Business Competitiveness For Business Sustainability

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Abstract : *The Ministry of Cooperatives and SMEs implements policies to increase the productivity and competitiveness of SMEs at the international level. In order for SMEs to be more competitive, there needs to be business management education from the government, academics, and the community. This will provide advantages and support business sustainability. Business actors also need to master digital literacy and collaborate with business networks. This research aims to identify how digital literacy and business networks can improve MSME competitiveness and sustainability. An explanatory approach is used to understand business sustainability, competitiveness, digital literacy, and business networks, while a conclusive approach analyzes the hypothesis. Path analysis was performed using SPSS26. Samples were taken using probability sampling and the Slovin formula with a 10% margin of error, consisting of business actors in Sukabumi Regency. The results are: 1. Digital literacy has a tremendous impact on business competitiveness. 2. Business networks contribute tremendously to business competitiveness. 3. Digital literacy contributes tremendously to business sustainability. 4. Business networks contribute tremendously to business sustainability. 5. Business competitiveness contributes tremendously to business sustainability. 6. Digital literacy contributes tremendously to business sustainability through business competitiveness and 7. Business networks contribute tremendously to business sustainability through business performance.*

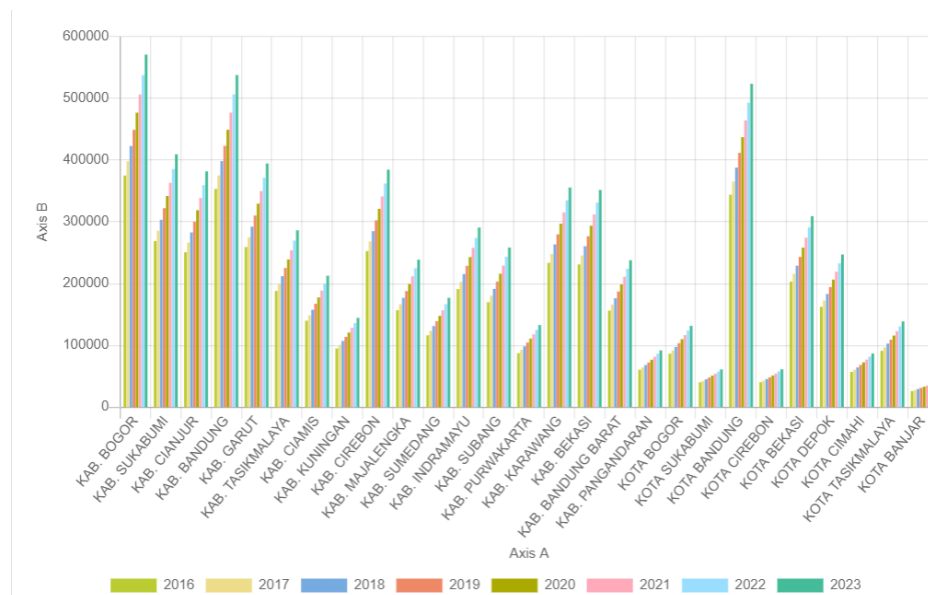
Keywords: Digital Literacy, Business Networks, Business Competitiveness, Business Sustainability

Introduction

The role of MSMEs today is the most important milestone in building a national economy that continues to be exposed so that MSMEs move up a class, so that they can contribute greatly to the economy, and more workers are absorbed. So the form of concern for MSMEs, the government through the Ministry of Cooperatives and MSMEs, has issued regulations related to increasing the capacity of cooperatives and MSMEs to be more productive, and feasible to grow to a larger scale and competitive (Ruswandi et al., 2021).

Where the MSME sector contributes additional value to the Gross Domestic Product (GDP) of sixty-one percent or the same value of Rp9,580 trillion, even the contribution of MSME value to the workforce absorbed is ninety-seven percent of the

total workforce. Based on information data from the Ministry of Cooperatives and SMEs, in 2023 Indonesia will have sixty-five point five million MSMEs, which is almost 100 percent, reaching ninety-nine percent of the total business units. (Ekon.go.id, 2023). Then in every critical event, it is proven that MSMEs are a flexible backbone and can recover quickly. So the increase in MSMEs is something that must be maintained to boost Indonesia's economic growth even higher. This is clarified by the data that MSMEs continue to increase every year both in terms of number and quality of performance of MSMEs themselves, from the number of MSMEs in 2023 in West Java can be seen in the following graph:



Data source: opendata.jabarprov.go.id, 2023

Meanwhile, based on data from (opendata.jabarprov.go.id, 2023) In Sukabumi Regency, the number of MSMEs recorded each year from 2016 to 2023 continues to show a significant increase. The data on MSMEs in Sukabumi Regency is as follows:

Data on MSMEs in Sukabumi Regency 2016 - 2023

No	Year	Number of MSMEs
1	2016	269.002
2	2017	285.646
3	2018	303.319
4	2019	322.086
5	2020	342.015
6	2021	363.176
7	2022	385.646
8	2023	409.507

Data source: opendata.jabarprov.go.id, 2023

Based on the data, there is a remarkable trend indicating that MSMEs will continue to grow in the future and must be consistently supported to "go global." Additionally, MSMEs are well-positioned to contribute to the enhancement of the global value chain.

However, the current condition of the obstacles faced by MSMEs is that they can grow rapidly but soon fall again. So the contribution of MSME benefits is increasingly high and is not accompanied by the high competitiveness of Indonesian MSMEs. Internally and externally, these MSMEs experience obstacles in low competitiveness which then does not boost the economy, and people's income is still stagnant, the factors that influence competitiveness are business scale, productivity, and level of technology implementation (Lantu et al., 2016). In addition, it is suspected that the problems faced by MSMEs include (1) Weak market access, 2) Low capital structure and access to resources, 3) Limited network building, 4) Limited access and control of technology, 5) Lack of business information, 6) Difficulty obtaining raw materials and 7) High competition (Ade Octvia, Zulfanetti, 2017).

By itself when MSMEs have competitiveness, of course, they will avoid bankruptcy so that the sustainability of MSMEs will continue to run in the long term. Competitiveness is support for the sustainability of a business to continue to stand continuously in the midst of high competition with other business actors, both old players/competitors and emerging business players/competitors (Anwardin et al., 2021). So that this competitiveness is created through continuous improvement in all lines of organizational management, especially the production sector. When an organization carries out continuous improvement, the sustainability of the business, especially MSMEs, will continue to increase.

So the above requires a tactic for UMKM actors so that they are able to maintain the sustainability of their business. Where business sustainability is an endeavor whose goal is to achieve long-term performance. In business activities, what is very important is to be oriented towards long-term performance that must be achieved, because if the business is not managed properly and does not have a clear direction, it will certainly have fatal consequences for the business, possibly running stagnantly (M.Indra Maulana, 2023) dan (Ruswandi et al., 2024). Business continuity is a business climate in which there are methods to defend, develop, and ensure that resources are protected and the needs within a business are met, the strategies implemented refer to one's own experience, and the experience of others, and are based on the current conditions of the business world. (Wijayanti & Hanandia, 2022).

Factors that can grow the competitiveness and sustainability of MSMEs, where business players must be aware of digital literacy. Many findings show that digital literacy skills in the business world are much more needed to improve several aspects of the business world - especially in MSMEs because there is an influence that is produced if this digital literacy is applied in business activities (Husniyah et al., 2023).

Because with the existence of digital literacy, is fundamentally able to boost the transformation of business models to occur flexibly and adapt in responding to the business environment that is undergoing changes in the digital era post-Covid-19, in order to adapt and be able to give birth to something new, then it will automatically be able to survive and continue to improve with performance and have optimal competitiveness continuously (Firmansyah et al., 2022)

As the findings (Asni Aulia et al., 2021) that digital literacy contributes to clothing traders in the sustainability of their business. In business, knowledge about digital is needed, assessing content and internet tracking to support marketing and security of business accounts.

In addition to Digital Literacy, to grow the competitiveness and sustainability of MSME businesses, business actors must also be able to build business networks. Where Business networks are a business social network, that contributes to business actors communicating so that relationships with other business partners can be maintained and business interests become wider by forming mutually beneficial connections (Bilqis Nabila dan Naswan Suharsono, 2023).

This Business Network is the main factor in doing business, especially for MSMEs to grow the economic scale, be efficient in their business activities and their market share widely open. So MSMEs that have the strength of a business network will become capital or strength in carrying out their business activities effectively and efficiently so that this business network makes a company have extraordinary competitiveness (Irawan, 2020)

Based on the information data above, the urgency of this research is about the level of digital literacy and building business networks, whether MSMEs can be competitive and the sustainability of MSMEs continues to survive in the long term. The purpose of this study is to detect the contribution of digital literacy and business networks in increasing the competitiveness of MSMEs and the sustainability of their businesses in Sukabumi Regency, especially in general in Indonesia.

Literature Review

Digital Literacy

A business actor needs to understand and evaluate information, including digital information. In this process, they must be able to identify the information received, which is part of digital literacy. Where digital literacy is the ability of individuals to operate information and communication technology (ICT) to utilize and evaluate technical and cognitive skills (Husniyah et al., 2023).

Digital literacy is an essential skill for filtering and critically understanding information amidst the rapid development of the digital era (Gilster, 1997; Pangrazio et al., 2020) in (Firmansyah & Dede, 2022). Digital literacy is the ability to understand and

use various types of information from various sources accessed through computer devices. This digital knowledge is obtained from information accessed through computing technology (Regif et al., 2023). Thus, digital literacy is closely related to technical skills in accessing, processing, understanding, and disseminating information. In addition, increasing the digital literacy of MSMEs opens up opportunities for inclusive digital transformation, which ultimately has a greater positive impact on the country's macroeconomic support (Bidasari., Goso., Sahrir., Hamid, 2023)

Digital Literacy Indicators according to (M.Indra Maulana, 2023) include 1) critical thinking aspects in information and data literacy, 2) Communication and collaboration to test communication skills and ethics in technology, 3) Security (personal security and device security), 4) Technological capabilities.

Business Networks

Business networks are the relationships and connections a company establishes with various organizations, including suppliers, customers, competitors, and stakeholders. These networks enable the sharing of resources, knowledge, and information while fostering opportunities for collaboration, learning, and mutual growth (Rijal et al., 2023).

Business Networks are a form of cooperation, access, and relationships with third parties (other companies, financial institutions, and other institutions) that companies need to run operations effectively and efficiently so that they can achieve productivity, high competitiveness, and the desired profit and business development (Irawan, 2020).

Business networks are important strategic resources that can help businesses grow, by emphasizing the interactions between organizations in a network (Bilqis Nabila dan Naswan Suharsono, 2023). So through business networks, companies can access valuable resources, expand market reach, strengthen competitive positions, and gain insight into market dynamics and emerging opportunities.

For business network indicators according to (Bilqis Nabila dan Naswan Suharsono, 2023) namely 1. advice, 2. information, 3. marketing, 4. increasing credibility, and 5. representative lobbying.

Business Competitiveness

To stay competitive, companies leverage various factors, including the ability to develop and utilize new resources, such as skills gained through advanced technology and software. Continuous resource development, new product creation, and value-added strategies in human resource development contribute to gaining a competitive edge. Competitiveness, based on foundational theories and real-world dynamics, can be categorized into five main types: dynamic positions and movements, cumulative connectivity benefits, and temporary fixed rewards (Harjadi & Gunawan, 2022).

Competitiveness is the ability or advantage used to compete in a particular market (Anwardin et al., 2021). Business competitiveness is a relative concept, which relates to the extent to which a company is competitive compared to other companies

in the same business (Firmansyah et al., 2022). Business competitiveness describes the ability to achieve results quickly and well, outperforming other businesses or competitors (Kariyani & Meitriana, 2022).

Where the Business Competitiveness Indicators according to (Pasaribu, 2021) are: 1. Superior products 2. Innovation 3. HR (Human resources) 4. Utilization of information technology in marketing.

Business Continuity

The principle of Business sustainability holds that a business entity will continue to operate during the completion of ongoing projects, agreements, and activities. Business continuity prediction is very important for management and business owners to anticipate the possibility of bankruptcy, which can cause direct and indirect costs. Business sustainability is a condition in which a company has sufficient funds to run and develop its business. This sustainability is always related to the risk of bankruptcy. In general, every company pays more attention to conditions that have the potential to be detrimental, such as bankruptcy (Asni Aulia et al., 2021).

Business sustainability is a form of consistency in business conditions, which includes growth, development, strategies to maintain continuity, and business development. All of this aims to ensure the continuity and resilience of the business. Conditions that have the potential to be detrimental, such as bankruptcy (Wijayanti & Hanandia, 2022) dan (M.Indra Maulana, 2023).

Business sustainability has five indicators according to (Wijayanti & Hanandia, 2022), namely 1. increasing sales turnover, 2. increasing sales volume, 3. increasing number of customers, 4. marketing media, and 5. widespread branding.

Based on the above, the conceptual research is:

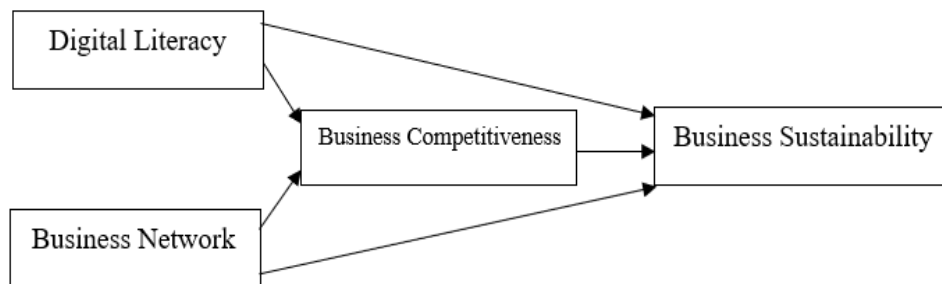


Figure 1, Conceptual Research

Hypothesis :

H1: Digital Literacy Contributes to Business Competitiveness

H2: Business Networks Contribute to Business Competitiveness

H3: Digital Literacy Contributes to Business Sustainability

H4: Business Networks Contribute to Business Sustainability

H5: Business Competitiveness contributes to MSME sustainability

H6: Digital Literacy contributes to Business Sustainability through Business Competitiveness

H7: Business Networks contribute to Business Sustainability through Business Competitiveness

Research Method

This research adopts a detailed contextual approach, serving as a reference for an explanatory research design aimed at analyzing business competitiveness, MSME sustainability, digital literacy, and business networks. Subsequently, a conclusive approach is employed to explicitly evaluate the formulated predictive statements. The primary data is collected using an open-ended questionnaire as part of the data-gathering process (Ruswandi et al., 2024). Data analysis was conducted in several stages against the formulation of the problem using Path Analysis, the assumption requirements were set according to the applicable rules to produce the best analysis. SPSS software version 26 was used in various analysis calculations.

The research population is the MSME actors in the Sukabumi Regency area based on data from opendata.jabarprov.go.id in 2023 totaling 409,507 units, researchers in collecting data refer to the probability sampling method with a sample size using the Slovin formula with a 90% accuracy rate. The sample calculation is as follows: $n = \frac{N}{1+N(e)^2} = \frac{409.507}{1+409.507(0.1)^2} = \frac{409.507}{4.096,07} = 99,975 = 100$

So the sample of respondents amounted to 100 MSME actors in the Sukabumi district area with the assumption that they met the path analysis requirements.

Research Results And Discussion

Validity Test Results

Table 2. Results of Digital Literacy Validity Test

No	R Count	R Critical
DL1	0,886	0.3
DL2	0,918	0.3
DL3	0,813	0.3
DL4	0,908	0,3

Source: SPSS processed data, 2024

Table 3. Results of Business Network Validity Test

No	R Count	R Critical
BN1	0.737	0.3
BN2	0.656	0.3
BN3	0.740	0.3
BN4	0,790	0,3
BN5	0,668	0,3

Source: SPSS processed data, 2024

Table 4. Results of Business Competitiveness Validity Test

No	R Count	R Critical
BC1	0.789	0.3
BC2	0.890	0.3
BC3	0.911	0.3
BC4	0.884	0.3

Source: SPSS processed data, 2024

Table 5. Results of Business Sustainability Validity Test

No	R Count	R Critical
BS1	0.778	0.3
BS2	0.886	0.3
BS3	0.840	0.3
BS4	0.753	0.3
BS5	0.884	

Source: SPSS processed data, 2024

Tables 2, 3, 4, and 5 show that all r-count values exceed the critical r value of 0.3, confirming the validity of the research data.

Reliability Test Results

Table 6. Reliability Test Results

Variable	Nilai Cronbach's Alpha	Nilai Signifikan
Digital Literacy	0.903	0.6
Business Network	0.765	0.6
Business Competitive	0.890	0.6
Business Sustainability	0.884	0.6

Source: SPSS processed data, 2024

As shown in Table 6, all variables have Cronbach's alpha values exceeding 0.6, indicating that the research data is reliable.

Classical Assumption Test

Normality Test

Table 7. Normality Test Results

Scheme	Asymp Sig 2_Tailed
Scheme1	0.199
Scheme2	0.122

Source: SPSS processed data, 2024

Based on Table 7, the asymp value of Sig 2-tailed both Scheme 1 value = 0.199, and Scheme 2 value = 0.122 is greater than 0.05 then the research data is normally distributed.

Heteroscedasticity Test

Table 8. Results of Heteroscedasticity Test Scheme 1

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	1.337	.938		1.426	.157
Digital Literacy	.114	.064	.241	1.781	.078
Business Network	-.094	.060	-.212	-1.567	.120

a. Dependent Variable: Res2

Source: SPSS processed data, 2024

Table 9. Results of Heteroscedasticity Test Scheme 2

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	.593	.836		.710	.479
Digital Literacy	.026	.059	.063	.439	.662
Business Network	.034	.059	.089	.583	.561
Business Competitiveness	-.031	.055	-.080	-.563	.575

a. Dependent Variable: Res3

Source: SPSS processed data, 2024

Tables 8 and 9 indicate that all variables in Schemes 1 and 2 have significance values above 0.05, suggesting that the research data is free from heteroscedasticity symptoms.

Multicollinearity Test

Table 10. Results of Multicollinearity Test Scheme 1

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 Digital Literacy	.546	1.832
Business Network	.546	1.832

a. Dependent Variable: Business Competitiveness

Source: SPSS processed data, 2024

Table 11. Results of Multicollinearity Test Scheme 2

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Digital Literacy	.500	2.001
	Business Network	.440	2.272
	Business Competitiveness	.506	1.978

a. Dependent Variable: Business Sustainability
Source: SPSS processed data, 2024

Starting from tables 10 and 11, where in Schemes 1 and 2 all variables have tolerance values greater than 0.1 and VIFs less than 10, then this research data does not experience multicollinearity.

Data Analysis Results

Table 12. Multiple Linear Regression Analysis Test Results Scheme1

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.459	1.527		.955	.342
	Digital Literacy	.312	.104	.293	2.994	.003
	Business Network	.470	.097	.472	4.830	.000

a. Dependent Variable: Business Competitiveness
Source: SPSS processed data, 2024

Regression Equation Scheme1: $Z = 1.459 + 0.312 (DL) + 0.470 (BN)$

The information from the scheme above is:

1. A constant of 1.459, explains that if digital literacy and business networks are zero, then business competitiveness will remain at 1.459.
2. The regression coefficient of digital literacy = 0.312, explains that if digital literacy develops by 1 point, then business competitiveness will develop by 0.312.
3. The regression coefficient of the business network = 0.470, explains that if the business network develops by 1 point, then business competitiveness will also develop by 0.470.

Table 13. Results of Multiple Linear Regression Analysis Test Scheme 2

Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.015	1.364		2.210	.029
Digital Literacy	.321	.097	.282	3.318	.001
Business Network	.354	.096	.332	3.671	.000
Business Competitiveness	.329	.090	.308	3.648	.000

a. Dependent Variable: Business Sustainability
 Source: SPSS processed data, 2024

Regression Equation Scheme 2: $Y = 3.015 + 0.321(DL) + 0.354(BN) + 0.329(BC)$

Information from the Scheme above is:

- 1) Constant = 3.015, meaning that if digital financial literacy, business networks, and business power are ignored or zero, then business continuity will remain at 3.015.
- 2) Regression coefficient of Digital Literacy = 0.321, meaning that if digital literacy develops by 1 level then business continuity will develop by = 0.321.
- 3) Regression coefficient of Business Network = 0.354, explaining that if the business network develops 1 level then business continuity will also develop by = 0.354.
- 4) Regression coefficient of business competitiveness = 0.329, explaining that if business competitiveness develops by 1 level then business continuity will also develop by = 0.329

Analysis of Determination Coefficient

Table 14. Results of Determination Coefficient (KD) Test Scheme 1

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.703 ^a	.494	.484	1.78195

a. Predictors: (Constant), Business Network, Digital Literacy
 Source: SPSS processed data, 2024

The results of the KD Scheme 1 test show that the R square value is = 0.494 or 49.4%, meaning that digital literacy and business networks contribute to the

competitiveness of the business by = 49.4%, and the rest = 50.6% of other variables that were not studied. The value of e_1 is $\sqrt{1-R^2} = \sqrt{1-0.506} = 0.711$.

Table 15. Results of the Determination Coefficient Test for Scheme 2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.809 ^a	.654	.643	1.58471

a. Predictors: (Constant), Business Competitiveness, Digital Literacy, Business Network

Source: SPSS processed data, 2024

The KD Scheme 2 test results indicate an R-square value of 0.654, or 65.4%, meaning that digital literacy, business networks, and business competitiveness collectively account for 65.4% of business sustainability. The remaining 34.6% is influenced by other variables not included in the study. The e_2 value is calculated as $\sqrt{1 - R^2} = \sqrt{1 - 0.654} = 0.588$.

Hypothesis Testing

Table 16. T-Test Results Scheme 1

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.459	1.527		.955	.342
Digital Literacy	.312	.104	.293	2.994	.003
Business Network	.470	.097	.472	4.830	.000

a. Dependent Variable: Business Competitiveness

Source: SPSS processed data, 2024

Table 17. T-Test Results Scheme 2

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.015	1.364		2.210	.029
Digital Literacy	.321	.097	.282	3.318	.001
Business Network	.354	.096	.332	3.671	.000
Business Competitiveness	.329	.090	.308	3.648	.000

a. Dependent Variable: Business Sustainability

Source: SPSS processed data, 2024

So the full Full Path Analysis Model can be depicted as follows:

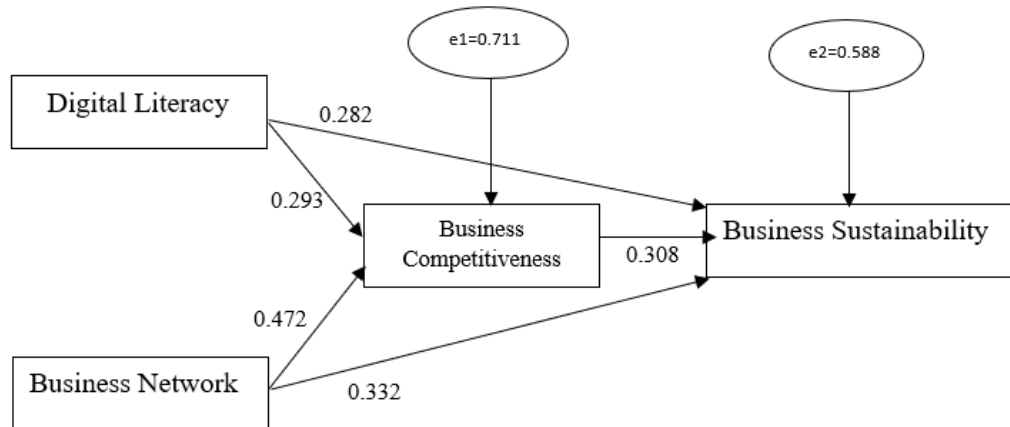


Figure 2, Full Path Analysis Model

From the image above, it can be seen that:

1. Digital literacy contributes to business competitiveness by 0.293 or 29.3%
2. Business networks contribute to business competitiveness by 0.472 or 47.2%
3. Digital literacy contributes to business sustainability by 0.282 or 28.2%
4. Business networks contribute to business sustainability by 0.332 or 33.2%
5. Business competitiveness contributes to business sustainability by 0.308 or 30.8%
6. Digital literacy contributes to business sustainability through business competitiveness of 0.372 or 37.2%. Where the value is obtained from the multiplication of the value of the contribution of digital literacy to business competitiveness of 0.293 with the value of the contribution of digital literacy to business sustainability through business competitiveness of 0.308. So the indirect contribution is $(0.293 \times 0.308 = 0.090)$. While the value of the direct contribution of digital literacy to business sustainability is 0.282. then the total contribution is the direct contribution plus the indirect contribution, namely $0.282 + 0.090 = 0.372$ or 37.2%.
7. Business Network contributes to Business sustainability through business competitiveness of 0.372 or 37.2%. Where the value is obtained from the multiplication of the value of the business network contribution to business competitiveness of 0.472 with the value of the business network contribution to business sustainability through business competitiveness of 0.308. So the indirect contribution is $(0.472 \times 0.308 = 0.145)$. While the value of the direct contribution of the business network to business sustainability is 0.332. then the total contribution is the direct contribution plus the indirect contribution, namely $0.332 + 0.145 = 0.477$ or 47.7%.

Discussion

Digital literacy contributes to business competitiveness.

The output of the hypothesis analysis shows that the t-count (2.994) for digital literacy on business competitiveness exceeds the t-table value (1.984), and its significance (0.003) < alpha (0.000). Then hypothesis 1 is verified, indicating that digital literacy has an extraordinary contribution in influencing business competitiveness. So it is undeniable that digital literacy has extraordinary potential to increase business competitiveness by opening wider access to information, accelerating innovation, and enabling more effective marketing strategies in the digital era.

These findings are consistent with the findings of (Firmansyah et al., 2022), where digital literacy influences business competitiveness both directly and indirectly through digital transformation.

Business Networks Contribute to Business Competitiveness

The output of the hypothesis analysis shows that the t-count (4.830) for business networks on business competitiveness exceeds the t-table value (1.984), and its significance (0.000) < alpha (0.000). Then hypothesis 2 is verified, indicating that business networks have an extraordinary contribution in influencing business competitiveness. Thus, business networks have a very important strategic role in significantly increasing business competitiveness. With a wide and solid network, business actors can expand market coverage, establish mutually beneficial partnerships, and access resources that were previously difficult to reach, such as technology, knowledge, and financing. In addition, business networks also allow for rapid exchange of information and innovation, so that businesses can be more responsive to market changes and industry trends. Thus, building and strengthening business networks is one of the main keys to creating sustainable competitive advantages amidst increasingly tight business competition.

These findings are in line with the findings of (Irawan, 2020), where MSMEs that have a strong business network will become capital to be able to carry out their operational activities effectively and efficiently so that the business network can also become capital for the company's competitiveness.

Digital literacy contributes to business sustainability.

The output of the hypothesis analysis shows that the t-count (3.318) for digital literacy on business sustainability exceeds the t-table value (1.984), and its significance (0.001) < alpha (0.000). Then hypothesis 3 is verified, indicating that digital literacy has an extraordinary contribution to influencing business sustainability. Therefore, digital literacy has a crucial role in improving business sustainability by providing wider access to technology, strengthening digital marketing strategies, and encouraging operational efficiency. Through the use of digital platforms, business actors can reach a wider market, adapt quickly to changing consumer needs, and optimize resource management. Thus, digital literacy is not only a tool but also an important foundation in creating a resilient, sustainable business that is ready to face challenges in the era of digital transformation.

These findings are in line with the findings of (Reynara & Pangestuty, 2023), where digital literacy has a strong relationship with the sustainability of Micro and Small Enterprises in Malang City during the COVID-19 pandemic. And also in line with the findings of (Asni Aulia et al., 2021), where digital literacy affects clothing traders in business sustainability.

Business Network Contributes to Business Sustainability.

The output of the hypothesis analysis shows that the t-count (3.671) for business networks on business sustainability exceeds the t-table value (1.984), and its significance (0.000) < alpha (0.000). Then hypothesis 4 is verified, indicating that business networks have an extraordinary contribution in influencing business sustainability. So business networks contribute extraordinarily to improving business sustainability by creating a mutually supportive business ecosystem, expanding access to market opportunities, and strengthening strategic collaboration. Through solid relationships with business partners, customers, and suppliers, business actors can strengthen operational stability, reduce risk, and increase flexibility in facing market dynamics. In addition, business networks enable continuous exchange of knowledge and innovation, so that businesses can adapt better to changes in the business environment. Thus, building a strong business network is a strategic step to ensure long-term sustainability and growth.

These findings contradict the findings of (Bilqis Nabila dan Naswan Suharsono, 2023), where business networks have no significant effect on business success.

Business Competitiveness Contributes to Business Sustainability.

The output of the hypothesis analysis shows that the t-count (3.648) for business competitiveness towards business sustainability exceeds the t-table value (1.984), and its significance (0.000) < alpha (0.000). Then hypothesis 5 is verified, indicating that business competitiveness has an extraordinary contribution to influencing business sustainability. So the existence of business competitiveness contributes extraordinarily to improving business sustainability by providing competitive advantages that allow businesses to survive and grow amidst tight market competition. Through product innovation, superior service, and operational efficiency, strong competitiveness helps businesses meet customer needs better and maintain their loyalty. In addition, continuously improved competitiveness allows businesses to adapt quickly to changes in market trends and technology, thus ensuring long-term operational sustainability. Thus, competitiveness is not only a determinant of success but also the foundation of business sustainability in the future.

These findings contradict the findings of (Anwardin et al., 2021), where competitiveness has a positive effect but does not have a significant effect on business sustainability at UD Kembang Ternak.

Digital Literacy Contributes to Business Sustainability Through Business Competitiveness

In this context, to analyze the indirect contribution of digital literacy to business sustainability through business competitiveness, we can use the help of the Sobel Test, where the value:

$$a = 0.312 \quad Sa = 0.104$$

$$b = 0.329 \quad Sb = 0.090$$

The results of the calculation of the significance of the mediation application with the Sobel test are as follows:

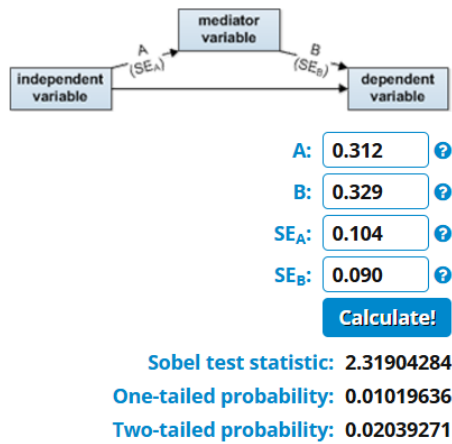


Figure 3. Sobel Test Results 1

The results of the significance test of the mediation application with the Sobel test can be seen in Figure 3. The results of the Sobel test show a significance value equal to $0.020 < \alpha (0.05)$. This context indicates a significant mediation contribution from digital literacy to business sustainability through business competitiveness. In other words, digital literacy has a strong contribution to business competitiveness, which then affects business sustainability. These results confirm that digital literacy contributes tremendously to improving business sustainability through business competitiveness so Hypothesis 6 can be accepted.

Business Networks Contribute to Business Sustainability Through Business Competitiveness

In this context, to analyze the indirect contribution of business networks to business sustainability through business competitiveness, we can use the help of the Sobel Test, where the value:

$$a = 0.470 \quad Sa = 0.097$$

$$b = 0.329 \quad Sb = 0.090$$

And the results of the calculation of the significance of the mediation application with the Sobel test are as follows:

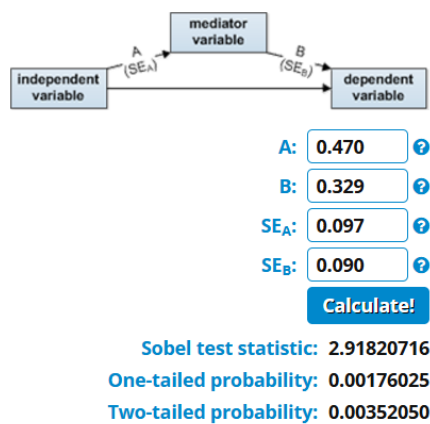


Figure 4. Sobel Test Results 4

The results of the significance test of the mediation application with the Sobel test can be seen in Figure 4. The results of the Sobel test show a significance value equal to $0.003 < \alpha$ (0.05). This context indicates a significant mediation contribution from business networks to business sustainability through business competitiveness. In other words, business networks have a strong contribution to business competitiveness, which then affects business sustainability. These results confirm that business networks contribute tremendously to improving business sustainability through business competitiveness so Hypothesis 7 can be accepted.

Conclusion

Digital literacy and business networks play a crucial role in enhancing business competitiveness. Additionally, digital literacy, business networks, and business competitiveness significantly contribute to business sustainability. Business competitiveness effectively mediates the impact of digital literacy and business networks on business sustainability. Therefore, MSME actors in Sukabumi Regency must thoroughly adopt digital literacy and build extensive business networks to ensure their economic activities remain productive and sustainable.

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