

# **Mediation Role of E-Commerce Marketplace Adoption in The Relationship Between Government Support and SME Performance**

**by Mahendra Adhi Nugroho, Budi Tiara Novitasari, Rudi Prasetya Timur**

## **ABSTRACT**

Previous studies have demonstrated that there is no theoretical and practical consensus on the relationship between government support and SME performance. This study aims to investigate the relationship between government support and e-commerce marketplace adoption, investigate the relationship between e-commerce marketplace adoption and SME performance, and explore the mediating role of e-commerce marketplace adoption on the relationship between government support and SME performance. This study adopts a quantitative approach. An online survey of 1514 SMEs was conducted for this study. A valid sample of 402 SMEs was successfully collected for this study. The hypothesis was tested using a partial least square (PLS) approach with the help of SmartPLS 3.2.8 software. The study results show a significant relationship between government support and e-commerce marketplace adoption (H1 is supported) and there is a significant relationship between e-commerce marketplace adoption and SME performance (H2 is supported). The variable of e-commerce marketplace adoption could fully mediate the relationship between government support and SME performance (H3 is supported). This study could have implications for determining government policies in improving the performance of SMEs. The study's findings present a clear picture of how the SME class might be improved in the future by raising its performance. Theoretically, the results of the study provide new insights/points of view on the relationship between government support and the performance of SMEs by finding a significant role for the mediating variable (e-commerce marketplace adoption)

*Kata Kunci: Government support, SME performance, adoption of e-commerce marketplace*