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## The Influence of Social Media Strategy, Corporate Entrepreneurship and Innovation Capability on Firm Performance Mediated by Managing Business Strategy in Cosmetic Companies in Jabodetabek

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### Abstract

The aim of the research is to analyze the influence of social media strategy, corporate entrepreneurship, innovation capability on the firm performance of cosmetic business actors mediated by managing business strategy. The research method used in this research is hypothesis testing. This research is quantitative, using a questionnaire given to 193 policy actors, owners, or leaders of cosmetics companies in the Jabodetabek area. Data analysis used SPSS and PLS.3.20 software with the Structural Equation Model (SEM) multivariate analysis method. The results of this research have a direct influence on the variables of social media strategy, corporate entrepreneurship, innovation capability and have a significant and positive effect on firm performance. Social media strategy has no negative influence on managing business strategy. The variable corporate entrepreneurship and innovation capability has the strongest influence on managing business strategy. The direct influence of managing business strategy on firm performance. The indirect influence of social media strategy on firm performance through managing business strategy results are unsupportive or negative. The indirect influence for corporate entrepreneurship, innovation capability has a significant and positive influence on firm performance which is mediated by the managing business strategy of cosmetic business actors. The strongest influence is the innovation capability variable on firm performance which is mediated by managing business strategy. The research implications of the existence of a social media strategy are not yet optimal in supporting the managing business strategy of cosmetic business actors and this needs to be paid attention to by cosmetic business actors in the process of utilizing social media in marketing strategies, especially in promotional strategies through digital marketing. Corporate entrepreneurship and innovation capability the results of this research significantly strengthen the influence of corporate entrepreneurship and innovation capability on the firm performance of cosmetic business actors. Managing business strategy as mediation of social media strategy has not been able to improve the firm performance of cosmetic business actors.

**Keywords:** Social Media Strategy, Corporate Entrepreneurship, Innovation, Capability, Managing Business Strategy, Firm Performance.

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### 1. Introduction

Indonesia has a promising market to support the cosmetics industry. At the same time, revenue and profit are important concepts in industrial growth. The industry shows declining revenue growth as the industry has reached maturity, (id.ambafrance.org, 2023). Even though the

cosmetics industry is one of the main industries in Indonesia, studies on the cosmetics industry at a strategic level are still minimal. In the last ten years, there have been several basic research studies on cosmetic industry analysis, conducted by Herdyanti and Mansoor (2020) regarding opportunities for acne skin care. Research from Natnaporn (2020) regarding cosmetic exports to Bali.

Based on the results of the Katadata Insight Center (KIC) and Sirclo survey in 2022, there is a shift in the product categories that are most popular with consumers when shopping online. The number of transactions for health and beauty products increased to 40.1% during the Covid-19 pandemic. This value increased compared to 2020 which was only 29.1%. The increase in health and beauty product transactions surpasses fast-moving consumer goods (FMCG). It is recorded that FMCG transactions only grew from 30.5% in 2020 to 31.2% in 2021/2022.

Based on research conducted by WeAreSocial (2020), social media use in Indonesia reached 150 million people with an increase of 23% from the previous year and internet use in Indonesia reached 152.7 million people with social media penetration of 49%. Regarding the amount of time spent by Indonesian people, on average every day one person accesses the internet for around 8 hours 51 minutes. Meanwhile, the time spent using social media from various devices reaches 3 hours 23 minutes per day (Laksana, 2018). A survey conducted by APJJI (2020) stated that 87.13% of the 143.26 million Indonesian internet users in 2020 were active social media users.

Internet development in Indonesia increases from year to year. In 2018, internet penetration in the country reached 64.8% and the level rose to 73.7% in 2019-2020. The composition of internet users based on gender is 48.57% (female) and 51.43% (male). Advertising on websites and social media is the gateway to any product from anywhere in the world. According to (Kaplan and Haenlein, 2020) social media strategy is defined as a group of internet-based applications that enable the creation and exchange of user-generated content in a socially wide environment and is considered a great opportunity to share opinions about a product. Online shopping is based on its virtual nature, where there are no longer any boundaries between goods and people, producers, and consumers at local and international levels. Creating product differentiation will increase challenges for companies. According to Saunila (2020), innovation capability has the potential to create this practice with an orientation towards innovation.

The knowledge-based view of organizations highlights organizational learning as a core tool for gaining the right knowledge to achieve competitive advantage in corporate entrepreneurship and innovation (Guzmán et al., 2019). Corporate entrepreneurship according to Hampel et al. (2020) as a vision directed by a broad organizational form, relying on an entrepreneurial spirit that continuously and sustainably renews the company and shapes the scope of its operations through exploiting opportunities in entrepreneurship to achieve success, especially for production excellence and progress so that participation in increasing production the product will also improve firm performance (S. Hu and Zhang, 2021).

Many cosmetic companies have improved the quality of their products and services to improve organizational performance and become competitive. However, despite nearly three decades of research on efforts to improve quality, the impact of quality on firm performance is still debated, especially in implementing appropriate managing business strategies for entrepreneurs or growing companies, especially companies that produce cosmetics.

Social media strategy provides new opportunities for businesses to improve their competitive position through new, interactive means, and this has led to social media being widely adopted as a business tool in the twenty-first century (Warwick et al., 2021). Based on a marketing perspective, the role of social media becomes very important because it changes the traditional way of marketing which involves one-way information exchange. A strong social media strategy really benefits the cosmetics industry.

According to a report from Compass Market Insight, revenue from sales of cosmetics on the two leading e-commerce platforms in Indonesia, Tokopedia and Shopee, reached IDR 5.6 trillion with a sales volume of 78.9 million packages or products in the June 2021 – March 2022 period; where an increase in sales revenue of 13.17% (yoy) occurred in October 2021, then increased again in March 2022 by 49.54% (yoy). The products included in this assessment are facial, lip and eye cosmetics. Transactions in the cosmetics category reached IDR 893 million in January 2021. Social media marketing allows marketers to build brand awareness, to share knowledge and information, to acquire and retain customers and to initiate low-cost promotions and engage with customers in an interactive way (Cao and Weerawardena, 2023).

The phenomenon that occurs, based on data from cosmetic companies until the end of 2022 to 2023, is that the number of cosmetic productions continues to increase. The largest cosmetic market target in Indonesia is the middle-class segmentation. According to a survey conducted by Deloitte (2020) at least 70% of the market buys mid-range cosmetics. 30% of the market buys Middle-Lower products priced between Rp. 50,000-Rp. 100,000, 38% of the market buys middle-class products between Rp. 100,000-Rp. 200,000, and 12% of the market buys high-end products between Rp. 200,000-Rp 500,000. This means that consumptive purchasing of cosmetic products is very good, so it will be an opportunity for cosmetic companies to develop more and become more advanced, but it is important for all cosmetic companies to pay attention that the current trend is purchasing skincare which can displace cosmetic products, in fact it is very likely that many who are starting to abandon the use of certain cosmetic products, this will disrupt the performance of cosmetic companies. This research will examine the influence of social media strategy, corporate entrepreneurship, innovation capability, on firm performance which is mediated by managing business strategy. Based on previous research, research gaps were found in conceptual and methodological aspects.

The research gap found was the placement of the managing business strategy variable as a mediator variable, which mediates the factors of social media strategy, corporate entrepreneurship, innovation capability on firm performance. This can be seen in Cao and Weerawardena's (2023) research entitled "Strategic use of social media in marketing and financial performance: The B2B SME context".

## **2. Literature Review**

The theoretical basis contains a theoretical framework that will discuss theoretical concepts for solving research problems. The theoretical framework was built referring to the resource-based view of strategy and the idea of dynamic capabilities. Grand theory is the basis of a theory that generally explains the problems in research. The conceptualization of this research is to combine grand theory with middle-range marketing management theory. These theories are relevant to be adopted in building conceptualization of research variables and developing firm performance theory through research hypotheses.

Grand theory is the basis of a theory that generally explains the problems in research. The basic theory used in this research focuses on Resource-based View Theory. This is based on research conducted by Wenerfelt in the 1980s, which explained that a company or organization will have good performance and superior competition by utilizing all the internal resources of the company or organization. According to S. Hu and Zhang (2021), firm performance should be able to form a physical organizational environment that can encourage creativity and leadership that has shared values and openness. Organizations must be able to develop more significant programs that can encourage innovation capability. According to Tajvidi and Karami (2021), firm performance wants to generate benefits from its intellectual capital, so the role of human capital should be seen as a strategic resource, because only humans can create knowledge. Firm performance according to Nguyen et al. (2021) should pay attention to the dimensions of knowledge and differences in value creation activities related to human capital as a superior resource for organizations.

To strengthen the firm performance of cosmetics companies, they hope to diversify by producing several industrial products for other fields such as fashion, furniture and halal processed goods or snacks. Cosmetics companies also carry out activities in the form of promotions via e-commerce or social media, as well as cover design, development, engineering and fabrication and maintenance (Pulino et al., 2022).

Corporate Entrepreneurship according to Glinyanova et al. (2021) is always used by companies that have been operating for a long time and in large companies. Corporate entrepreneurship is generally used for the purpose of seeing company profits. Corporate entrepreneurship according to Hampel et al. (2020) as a vision directed by a broad organizational form, relying on an entrepreneurial spirit that continuously and sustainably renews the company and shapes the scope of its operations through exploiting opportunities in entrepreneurship. Through corporate entrepreneurship it becomes very important to support managing business strategy as well as productivity and company performance (firm performance). Strategy and business need to continue to be developed to maintain business traditions in doing business, especially for cosmetic companies in Indonesia.

Marketing management is explicitly the key to success in facing changes in the business environment. Marketing management provides unity of direction for all members of the organization. If the marketing concept is not clear, then the decisions taken will be subjective or based solely on intuition and ignore other decisions (Ferreira et al., 2021). According to Mjaku (2020) marketing management is decisions and actions by a company to create and maintain competitive advantages and evaluate cross-functional decisions that enable an organization to achieve its goals.

Applied theory is a theory at the micro level that will be applied in developing new theories or new concepts. The applied theory in this dissertation research is about social media strategy and managing business strategy. At the application stage, the use of applied theory determines the novelty of the research carried out, where social media strategy and managing business strategy are findings as novelty in this research.

According to Chotia et al. (2022) social media strategy is the application of a commercial marketing strategy to sell ideas to change society, especially in management which includes analysis, planning, implementation, and supervision. If an individual or organization practices the principles: promotion without force, understands and applies positioning correctly,

understands branding and differentiation, it means that the institution or company has carried out marketing correctly.

According to Ferreira et al. (2021) social media strategy is an adaptation of marketing theory to design a program to influence individuals to change behavior voluntarily to improve the welfare of the individual and the society of which the individual is a part. According to Shang et al. (2022) in general, social media strategy is not a science but rather a professional activity that relies on various scientific disciplines to create intervention programs to change individual behavior.

According to Weerawardena (2023), social media strategy includes the most important goals to be achieved, important policies that direct implementation and implementation steps to realize these goals. Embodying several concepts and impulses that provide connection, balance, and focus. According to Herdyanti & Mansoor (2020), social media strategy expresses something that cannot be predicted or something that cannot be known.

According to Li et al. (2023) that social media strategy is a pattern or plan that integrates objectives, policies, and main actions in a cohesive relationship. A good strategy will help an organization allocate its resources in a unique form and be able to utilize cyberspace and be based on internal competence and the ability to anticipate the environment in facing increasingly advanced marketing developments by utilizing technology and the social media strategy industry.

### **3. Methodology**

This research uses quantitative methods with survey techniques, through a deductive approach and hypothesis testing. According to Yuliawan (2021), the deductive approach aims to test theory by collecting data from respondents and then applying it and observing it using statistical tests. Quantitative methods focus on collecting data according to the problem and population size and data analysis. This research is hypothesis testing, which aims to explain the nature of the relationship between two or more variables (Dalmau et al., 2020).

This research also tests the social media strategy analysis hypothesis developed by (Bruce et al., 2022). Understanding corporate entrepreneurship according to (Urbano et al., 2022). Development of innovation capability according to Phuong et al. (2022) on firm performance Inam Bhutta et al. (2021) which is mediated by managing business strategy (Moqaddamerad and Tapinos 2023). In this research, a descriptive and verification approach is used by Hair (2021). The descriptive approach is a method for researching the status of human groups, objects, conditions and thought systems.

#### **Variables and Their Measurement**

Independent variables are variables that will be explained, understood, or can also be predicted (Hair et al., 2021). The independent variables in this research are social media strategy, corporate entrepreneurship innovation capability. The mediating variable in this research is managing business strategy and the dependent variable in this research is firm performance. explained in operational definitions, dimensions, and indicators as measurement tools.

The sample used was 200 cosmetic company owners who had obtained a business license and had also obtained an official certificate. The sampling technique was purposive sampling with

the criteria that cosmetic company owners who met the requirements to be selected as respondents were those who met the following criteria:

- 1) Current ownership or position at the place of business is minimum as a policy maker.
- 2) Minimum of one year's entrepreneurial experience.
- 3) The company has obtained an official certificate permit.
- 4) Ownership of business actors is in the Jabodetabek area.

The above criteria are made with the assumption that respondents have sufficient and relevant knowledge regarding entrepreneurial activities. Apart from that, it is also assumed that the respondent knows enough about the research object so that data related to the research object can be obtained from the respondent. The criteria for determining the sample size are based on considerations of the analytical tool that will be used.

Determining the number of respondents used in this research will use the statement from Hair et al. (2021) which states that the number of respondents in the sample must be matched with the number of statements contained in the questionnaire distributed. Based on the assumption of  $n \times 5$  observed variables (index) up to  $n \times 10$  observed variables (index). In this study there were 38 types of statements used to measure 5 variables. The number of respondents used was 38 statements multiplied by 5 to get a result of 190 respondents.

Based on the statement above, the total sample that must be taken is a minimum of 190 samples. Meanwhile, to avoid undesirable things such as when testing the data, there are outliers or cannot be used, the researcher will increase the number of sample respondents who will carry out the research.

The data collection technique uses primary data through a questionnaire by providing a set of written lists of indicators to obtain information from a few respondents about the conditions experienced by the respondents, then all alternative answers are listed in the questionnaire so that the respondent just must choose the appropriate answer. The distribution of questionnaires in this research uses research data collection techniques through personally administering questionnaires by visiting potential respondents by arranging an appointment first and mail/online questionnaires are filled in directly by respondents via Google form.

The questionnaire created did not ask for the respondent's name and company where they worked to ensure that the respondent gave objective answers. The cover letter also states that the data collected will be kept confidential and only for academic purposes. Based on these reasons, hypothesis testing in this research uses PLS-SEM Version 3.29 which has more flexibility than Covariance Based – Structural Equation Modeling (CB-SEM) for regression research and can conduct path analysis with latent variables.

#### **4. Result and Discussion**

The output results explain that as many as 200 questionnaires were distributed, and 193 respondents completed all the statements, there were 2 questionnaires that were not returned because the respondents were busy and 5 questionnaires were filled out incomplete and did not meet the requirements for processing research data.

Based on the results of descriptive analysis of data on respondents based on gender who participated in the research, it was explained that there were 65 male respondents and 128 female respondents. These results show that the ratio of men who are entrepreneurs as

cosmetics business actors is less than female respondents. This large comparison shows that the role of women in the cosmetics business was earlier as a business that started from a hobby and the habit of taking care of themselves became a daily routine for them. woman. This habit brings strong thinking, because the business that was carried out was quite advanced and successful, finally it was continued with a legal business so that it could be useful and apart from helping women who like to care for themselves with cosmetic products, it also adds to and improves the household economy and continues to increase employment opportunities and the economy. local area, especially in the Jabodetabek area.

That age 21-30 with 26 respondents shows the age of business actors who are just entering the developing stage, age >31-40 with 60 respondents shows the stage starting to become mature and productive for decision makers, where at this age careers and positions enter the a very productive period and is in a very good process, followed by ages >41-50 with 75 respondents, the age entering the most productive period at work where decision makers are very experienced with work as cosmetics business actors.

At the age of >51-60 with 32 respondents, at the age of approaching retirement in work because cosmetics business actors have long been very developed and reached the top position which shows that the decision makers are very well established and at a very mature age to shows the quality of work.

Number of decision-making positions in cosmetics businesses in the Jabodetabek area. Based on the results, for business owners there were 133 respondents out of the total number of respondents, because they were directly in contact with business owners in filling out questionnaires to respondents, the general manager position was 28 respondents. The senior manager position of 24 respondents indicates that business actors have a good management basis for the business they run and the section heads of 8 respondents usually have a more family position to monitor and carry out business activities and cosmetics entrepreneurship in the Jabodetabek area.

Test results for descriptive statistics for each indicator were also carried out. The independent variables measured from the social media strategy dimensions are interaction, entertainment, trends. The independent variables measured from the corporate entrepreneurship dimensions are entrepreneurial behavior and entrepreneurial results. The independent variables measured from innovation capability dimensions are process, change, and innovativeness. The mediating variable is measured from managing business strategy, the dimensions are wisdom, creativity, design, and the dependent variable is measured from firm performance, the dimensions are sales growth and profitability.

### **Goodness of Fit Model Test Results**

Evaluation of the structural model starts from testing the feasibility of the model by looking at the R-square. The managing business strategy variable has a mediating model which shows that the adjusted R-square value of 0.715 managing business strategy can be a link to firm performance. This figure can explain variables, social media strategy, corporate entrepreneurship, innovation capability is able to explain firm performance of 78.5%. The R-square value for firm performance is 0.785, indicating a strong model because it is more than 0.5. The firm performance variable can be explained by managing business strategy 61.6%.

The effect size  $f^2$  value for the social media strategy variable is -0.404, meaning that the social media strategy variable has a weak influence. The results obtained for the next independent variable are, for corporate entrepreneurship, the value is 1,300. The corporate entrepreneurship variable has a strong influence at the structural level. Next, the value of the innovation capability variable is 0.540, meaning that the innovation capability variable has a strong influence.

The strength of the mediating effect size  $f^2$  is acceptable in research with small samples. The social media strategy variable shows a value that does not meet the requirements, namely -0.404, indicating the value of the effect size variable  $f^2$  is less than 0.2, which identifies a weak influence at the structural level. The corporate entrepreneurship and innovation capability variables show values that meet the requirements, namely 1.300 and 0.540, indicating that the values of the two-effect size  $f^2$  variables are more than 0.2, which identifies a strong influence at the structural level.

Knowing the comparison of the research model with the indicator covariance matrix requires a quality index test. The communality value is 0.798, where the value of all indicators is divided by the number of existing indicators, thus obtaining a value of 0.798. This means that all indicators have met the testing requirements above 0.5. The R-square value is the sum of all variable values divided. The result is 0.701, meaning that all variables are above 0.7 and are suitable for use.

The higher the Goodness of Fit Model, the better the resulting model (Ghozali, 2019). The Goodness of Fit Model results shown in table 4.19 are 0.748, greater than 0.701, so it is concluded that the model used is very good and can be used in research (Ghozali, 2019).

Based on the analysis that has been carried out, the discussion of the hypothesis is presented as follows:

**Hypothesis # 1:**

The social media strategy variable has an estimated value of 0.231, p-value  $0.000 < 0.050$ . This figure shows that the social media strategy variable has a significant and positive influence on firm performance, meaning that  $H_0.1$  is not supported and  $H_a.1$  is supported with an influence coefficient of 0.231. This means that social media strategy has a positive influence on firm performance.

**Hypothesis # 2:**

The corporate entrepreneurship variable has an estimated value of 0.249, p-value  $0.002 < 0.050$ . This figure shows that corporate entrepreneurship has a significant and positive influence on firm performance, meaning that  $H_0.2$  is not supported and  $H_a.2$  is supported with an influence coefficient of 0.249, meaning that corporate entrepreneurship has a positive influence on firm performance.

**Hypothesis # 3:**

The innovation capability variable has an estimated value of 0.239, p-value  $0.007 < 0.050$ . This figure shows that innovation capability has a significant and positive influence on firm performance, meaning that  $H_0.3$  is not supported and  $H_a.3$  is supported with an influence coefficient of 0.239, meaning that innovation capability has a positive influence on firm performance.



**Hypothesis # 4:**

The managing business strategy variable has an estimated value of 0.246, p-value  $0.000 < 0.050$ . This figure shows that managing business strategy has a significant and positive influence on firm performance, meaning that Ho.4 is not supported and Ha.4 is supported with an influence coefficient of 0.246, meaning that managing business strategy has a positive influence on firm performance.

**Hypothesis # 5:**

The social media strategy variable has an estimated value of -0.018 p-value  $0.780 > 0.050$ . This figure shows that social media strategy does not have a significant and negative influence on managing business strategy, meaning that Ho.5 is not supported and Ha.5 is not supported with an influence coefficient of -0.018, meaning that social media strategy has a negative influence on managing business strategy.

**Hypothesis # 6:**

The corporate entrepreneurship variable has an estimated value of 0.243, p-value  $0.003 < 0.050$ . This figure shows that corporate entrepreneurship has a significant and positive influence on managing business strategy, meaning that Ho.6 is not supported and Ha.6 is supported with an influence coefficient of 0.243, meaning that corporate entrepreneurship has a positive influence on managing business strategy.

**Hypothesis # 7:**

The innovation capability variable has an estimated value of 0.400, p-value  $0.000 < 0.050$ . This figure shows that innovation capability has a significant and positive influence on managing business strategy, meaning that Ho.7 is not supported and Ha.7 is supported with an influence coefficient of 0.400, meaning that innovation capability has a positive influence on managing business strategy.

**Hypothesis # 8:**

The social media strategy variable has an estimated value of -0.003, p-value  $0.791 > 0.050$ . This figure shows that social media strategy does not have a significant and negative influence on firm performance which is mediated by managing business strategy, meaning that Ho.8 is not supported and Ha.8 is not supported with an influence coefficient of -0.003, meaning that social media strategy has a negative influence on firm performance. which is not fully mediated by managing business strategy.

**Hypothesis # 9:**

The corporate entrepreneurship variable has an estimated value of 0.325, p-value  $0.013 < 0.050$ . This figure shows that corporate entrepreneurship has a significant and positive influence on firm performance which is mediated by managing business strategy, meaning that Ho.9 is not supported and Ha.9 is supported with an influence coefficient of 0.325, meaning that corporate entrepreneurship has a positive influence on firm performance which is fully mediated by managing business strategy.

**Hypothesis # 10:**

The innovation capability variable has an estimated value of 0.225, p-value  $0.000 < 0.050$ . This figure shows that innovation capability has a significant and positive influence on firm performance which is mediated by managing business strategy, meaning that Ho.10 is not supported and Ha.10 is supported with an influence coefficient of 0.225, meaning that

innovation capability has a positive influence on firm performance which is fully mediated by managing business strategy.

## **5. Conclusion**

The results of this research conclude that in general, social media strategy, corporate entrepreneurship, and innovation capability are variables that have a positive influence on firm performance. Other test results: corporate entrepreneurship and innovation capability are variables that have a positive effect on managing business strategy, for the social media strategy variable the results are no effect or negatively on managing business strategy. The positive influence of managing business strategy on the firm performance of cosmetic business actors also brings good results to the development and marketing of cosmetic products.

For the indirect influence of managing business strategy as a mediating variable of social media strategy on firm performance, the results were not significant or negative, this indicates that social media strategy is still weak if it influences firm performance which is mediated by managing business strategy.

The indirect influence of managing business strategy as a mediating variable has a good influence on firm performance, as well as the managing business strategy variable as mediation on the corporate entrepreneurship and innovation capability variables which has a strong influence on the firm performance of cosmetics business actors in the Jabodetabek area.

Innovation and creativity as well as local strengths which are focused on cosmetic business actors in the Jabodetabek area are getting better, especially in improving the quality of business actors or entrepreneurs as well as improving organizational infrastructure, so that in facing competition for the latest sales systems requires the best managing business strategy, where Cosmetics business actors in the Jabodetabek area are increasingly prepared and keeping up with the times and increasingly advanced technology. Collaboration must be carried out from every section in all cosmetic business actors in the Jabodetabek area.

Based on the results of the research conducted, the theoretical implications related to the development of managing business strategy and firm performance theory from social media strategy, corporate entrepreneurship, innovation capability for cosmetic business actors in the Jabodetabek area are as follows:

Social media strategy is not directly optimal in supporting the firm performance of cosmetic business actors and this needs to be paid attention to by cosmetic business actors in the process of utilizing social media in marketing strategies, especially in promotional strategies through digital marketing. The low estimated value of the research results is minus.

(-) 0.003, this value shows that social media strategy does not have a significant and negative indirect effect on firm performance which is mediated by managing business strategy.

Corporate entrepreneurship, innovation capability the results of this research significantly strengthen the influence of corporate entrepreneurship and innovation capability on the firm performance of cosmetic business actors in line with previous research by Urbano et al. (2022).

Managing business strategy as mediation of social media strategy has not been able to improve the firm performance of cosmetic business actors.

Managing business strategy towards corporate entrepreneurship, innovation capability can improve the firm performance of cosmetic business actors in accordance with previous research (Kim & Park 2021).

The research results provide the conclusion that improving the managing business strategy through increasing dimensions and indicators can improve the firm performance of cosmetic business actors and can increase the trust and loyalty of related parties. Improving and developing product quality must first pay attention to policies and strategic plans. Development will provide a good indication of the firm performance of cosmetic business actors.

**Managerial Implications:** To be able to increase production and performance of cosmetic business actors, entrepreneurs and cosmetic business actors must pay attention to the factors below:

This research shows that social media strategy is very important for all cosmetic business actors to improve, especially understanding the types of cosmetic products as well as services and product usage by making good use of social media, to improve the firm performance of cosmetic business actors.

Corporate entrepreneurship, innovation capability has a big influence on firm performance, so increasing corporate entrepreneurship, innovation capability through improving every dimension and indicator of corporate entrepreneurship, innovation capability must be a priority to be able to maintain the business, so that it can give the impression, trust, and loyalty of consumers, especially product users. cosmetics.

The quality of resources, quality of production in the process of involvement in social media strategy, corporate entrepreneurship, innovation capability of all business actors and third parties are very close, so that cooperation and compliance with the technical specifications of the wishes of the community must be a top priority. The quality of cosmetic business actors in terms of production, quality of resources, performance of departments such as decision makers, is a picture that can be felt by the community or collaborating parties, so these various qualities must be a priority in increasing the production of superior cosmetic products for cosmetic business actors.

To improve the development strategy and performance of cosmetic business actors, decision makers show that corporate entrepreneurship, innovation capability has a strong influence and supports firm performance, so corporate entrepreneurship, innovation capability through increasing each development through managing business strategy must be a priority to be able to provide products that are best in improving the quality of cosmetic business actors.

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